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From Bad to
Worse



***Steve Martin:
He's Off the Wall***



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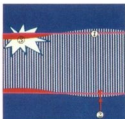
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COVER: Steve Martin, that wild and crazy guy, is now a romantic leading man 50

In the '70s he wore a novelty-store arrow through his head and became the decade's hottest comic. In the '80s he turned to film, and with this summer's sleeper hit *Roxanne* has shown he is America's most charming and resourceful comic actor. Martin honed his talents in comedy clubs—a growth industry that has launched a new generation of stand-up wits. See **SHOW BUSINESS**.



NATION: Twenty summers after the riots, 14 the ghettos have gone from bad to worse

The exodus of the black middle class from the inner city compounds the agony of those left behind. The victims range from a Newark family trapped in a morass of crime and self-destruction to a would-be model in Los Angeles slain by random gang violence. ▶ Reagan, both apologetic and defiant, tries to regain command. ▶ The fight over the Bork nomination heats up.



BUSINESS: The bull market stampedes 36 through a manic birthday celebration

Five years of growth almost without pause has added \$2 trillion to stock values and is helping the economy keep expanding. Cash is flooding in faster than ever, but doomsayers worry about possible parallels to 1929. ▶ A fired Eastern Air Lines mechanic details his accusations of sloppy maintenance. ▶ A leveraged buyout creates the largest black-owned company in America.



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In the gulf, the U.S. awaits Khomeini's next move. ▶ Two peace plans continue to raise tempers. ▶ South African miners walk out.

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Hopeful Olympians, a ton of Cuban weightlifters and an uplifting U.S. pitcher grace the Pan Am Games. ▶ Scuffing nonsense.

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In Nevada, Great Basin National Park opens amid stunning vistas and high hopes. ▶ A termite-killing pesticide is discontinued.

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Berlin's remarkable rebirth as a postwar center of modernism is surveyed in an ambitious show at the Museum of Modern Art.

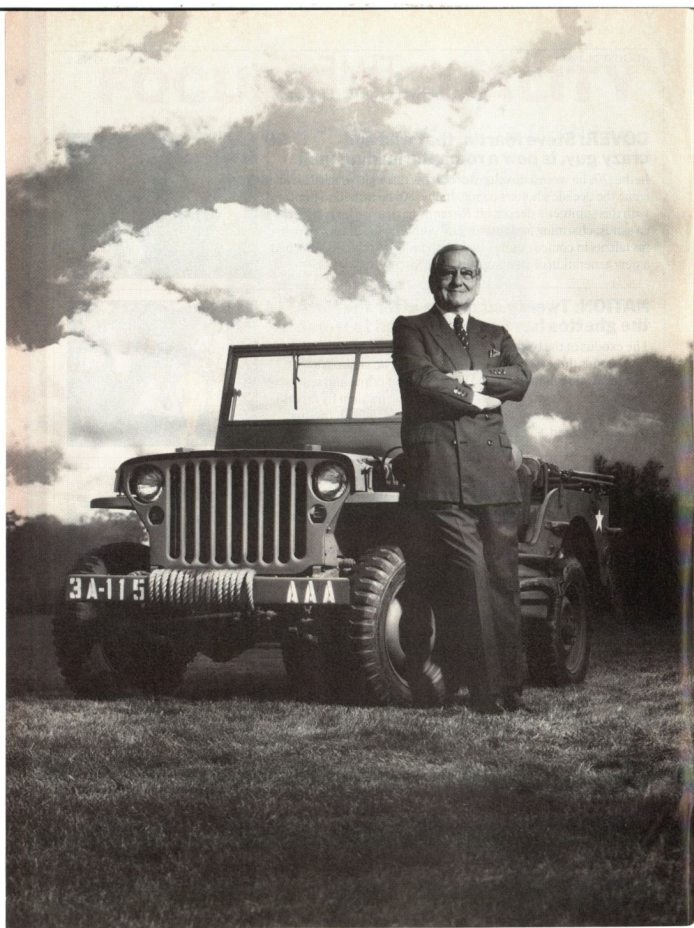
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Dance

Resurgent ethnic pride has brought about a revival of the authentic Hawaiian hula, with its rhythmic swaying and impudent eroticism.

Cover:

Photograph by Ted Thai



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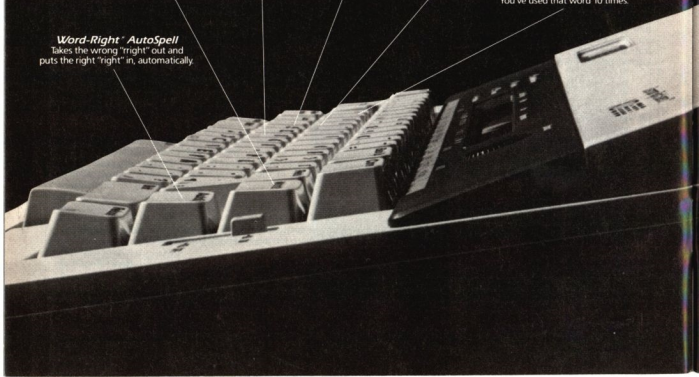
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TOMORROW'S TECHNOLOGY
AT YOUR TOUCH.

American Scene

In Missouri: Outdoor Work, Very Heavy Lifting

One evening soon someone is going to go out in his backyard and grill a steak over charcoal made from the blackjack oak Ray Tune cut this morning in the Ozarks.

Ray is a woodcutter who lives near West Plains, Mo. He is 58 years old. He is 6 ft. 1 in. tall, a handsome man with a weathered face and a small mustache. He is in physical trim that a weight lifter would envy. Ray cuts wood every day, stacking six tons on his truck and unloading it inside one of the kilns at Craig's Industries in Mountain View, Mo., before the sun gets too high. He figures he lifts 24,000 lbs. a day.

When Ray began work, there was a half-moon in the dark sky, circled with a ring of moisture giving promise of the humidity to come. The whippoorwills were still calling, although a yellow-billed cuckoo was sleepily experimenting with his day-time songs.

Ray was in the woods with his one-ton Ford flatbed truck by 7. He had with him his chain saw, an 18-in., yellow Swedish-made Pioneer, a thermos of water and another one of coffee. He was cutting wood on a ranch where loggers had taken the big timber. He had bought what they had left, tops from big trees and an occasional standing tree. He commenced work in a clearing the loggers had left surrounded by woods that cut off the breeze.

He cut several trees quickly and efficiently, not bothering with the notches a lesser woodcutter would have to use to direct their fall. He dropped each tree precisely where he wanted it, blocked up on underbrush, the butt end hinged by a sliver of the tree's outer edge. He cut the heavier ends to 16-in. lengths to make them easier to load. Branches and tops were cut longer. He spent no more than ten minutes on a tree and walked surely through the brush with his chain saw running.

He stopped for a cigarette and coffee. Has he ever had any bad accidents? "Well, some near ones." He cut off the end of an ear twice. And once a branch snapped back and threw the chain saw out of his hands, one of which was laid open; at the same time, he twisted to avoid the running chain and hurt his back badly. He wrapped up his hand in a handkerchief and loaded the truck, but he couldn't



Tune at his Herculean task in the kiln: six tons daily for the barbecuers

unload it because his back hurt too much. "Saw a doctor after I'd put up with it for a week, and he popped my back into place so's I was able to unload it." Has he ever had back trouble since? "No, never."

Ray started to load what he had cut. He had put stakes in the truck bed to hold the wood in place, and he built up the load in one corner to 4 ft. high. He tossed in 100-pounders or more not quite as effortlessly as matchsticks (he grinned after he

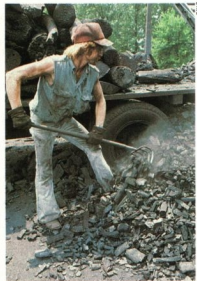
won't cut wood. Says it's too hard." Ray paused, watched the cigarette smoke rise in the still air. "Course he ain't no bigger than a bar of soap neither."

The price of hardwood that Ray cuts is lower, in part because the kilns buy more of the cheaper log slabs—the cutoff outsides of logs when they are squared by a sawmill into lumber. These, along with the hardwood, are charred in kilns, put through a hammermill and mixed with charred sawdust, coal, limestone, sodium nitrate, borax, wheat paste and steam, which turns the mixture into a slurry that is pressed into briquettes and then put through a drying process.

By 10:30 Ray had his truck nearly loaded. The temperature was over 90° F. He worked effortlessly, cutting and loading. Sweat had soaked his short-sleeved plaid shirt, his jeans, and made a dark band around his peaked red cap.

He cleared a road for his truck through brush that he stacked neatly in a pile—a future home for rabbits. He once found two baby squirrels while cutting, tiny blind creatures, and took them home to bottle feed. "Gentled 'em so that when they grew up they'd come when I called."

By 11:20 he was making the long drive to the kiln. He drove slowly to keep his tires from overheating under the heavy load. Ray is a careful man. He cuts carefully, loads carefully and carefully tots expenses. "It takes two-days work to pay for one blowed tire." And he blows them often, because he has to overload the truck to make the 60-mile round trip



Workman rakes out the nascent charcoal

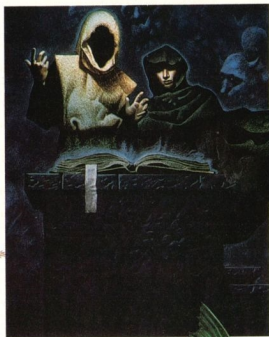
RAY TUNE

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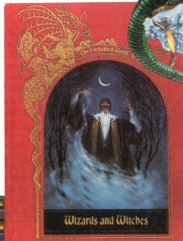
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**Help him get
America's future
off the
ground.**



American Scene

from home to woods to kiln pay. His chain saw cost \$500, and he can only run it a few years before it needs replacing. He has just had to overhaul his truck's engine; that cost \$1,400. "And anymore it takes \$2 just to fill the chain saw with gas and oil, and I have to do that twice for each load."

At the kiln yard his load was weighed. It came to 12,400 lbs.

The kilns are mounded, cavelike structures of concrete, lighted by air holes in the curved roofs. There is a door at either end, and Ray backed his truck in one. Inside the kiln, soot coated the walls. It was damp and smelled of wet chimney. Ray worked fast, standing on the truck bed, stacking his load on a base left by another woodcutter, filling the kiln up to the ceiling 5 ft. above his head. His safety depends on how well the previous woodcutter stacked his load. Once, warned by a slight noise, he had just enough time to jump away from a wall of wood as it collapsed on his truck. "Could have been killed," he said softly.

By 1:30 his truck was empty. His work had earned him a little more than \$48. He must take \$6 to pay for the wood he had cut, \$6 for gas for the truck and another \$4 for the gas-oil mix for his chain saw. The balance had to be spread thriftily to cover all the ordinary living expenses a family man has. His wife's part-time job at a shoe factory pays so poorly she can't keep up expenses on her pickup. "When she was aneeking a tire for it a while back, I had to pay for it," he said.

Ray would drive home, clean up and go back outdoors to work around his ten-acre place. "Seems like there's something that always needs doing." He goes to bed early, usually by 8.

Some of the kilns at Craig's were already filled and had been lighted by packing kindling and gasoline-soaked bags under the air spaces at the bottom of the stacked wood. The top holes have been covered and the steel doors shut. Inside, the wood was burning slowly, turning into char. Thick smoke curled out of the pipes that extend from the floor vents.

"How hot does it get in there?"

"Hot enough to boil your spit."

It takes a week for the wood inside to char down to half its original bulk, and another week to cool. When the doors at last are opened, a work crew empties the kiln into a hopper with a conveyor belt, which dumps the charred wood into a waiting semitrailer that will bear the load to a factory, where it will be blended into briquettes, bagged and shipped to grocery stores all across the land.

For now, black clouds of dust billow out of the trailer, a dark contrast to the lighter smoke from the smoldering kilns. The workers' figures are outlined in the gloom of smoke and dust. A few big trees, choked by soot, are dying at the near edges of the kilns. In the woods beyond them a red-eyed vireo sings.

—By Sue Hubbell



Nation

TIME/AUGUST 24, 1987

Never Give Up

Reagan is apologetic, but still defiant

The curtain is down on the summer's Iran-*contra* drama, and Ronald Reagan is getting ready for his final 17-month run in Washington, which could be a corker. In the Oval Office last week for an interview with *TIME*, he looked healthier and more vigorous than recent press accounts have portrayed him. Yet he has been burned and battered by events and people, and his caution was like armor—a shield that every modern President adopts eventually, no matter what vows he makes about open communion to the end. "There's always a target painted on the Chief Executive's door," he says.

In a few hours Reagan would speak to the nation about his Administration's great scandal and would harvest yet more criticism. "The fact of the matter is that there's nothing I can say that will make the situation right," he would say later, in a statement that was both apologetic and defiant. "I was stubborn in my pursuit of a policy that went astray." It was a speech that satisfied neither friends nor enemies. But it was one that was inside the President as simple and pure as a diamond and had to come out, audience acceptance or not. "Well," he told *TIME* earlier in the day, his nose still scarred and red from his skin-cancer operation, "I'll be sitting at the same desk, so I can always duck."

But when the time came for the speech Reagan didn't duck, and won't. He let the critics take their shots: "The old Reagan magic, the energy and passion are gone," said the dyspeptic conservative Richard Viguerie. "He should have had Ollie North write his speech, but instead he was on the

The great Houdini of U.S. politics in a *TIME* interview: he will fight as long as he breathes

defensive." Democrats just shook their heads over the scandal's unresolved issues and condemned a misguided Chief Executive. Rebutted Maine's Senator George Mitchell: "Let there be no misunderstanding. The mistakes were not only in the execution of policies. The major mistakes were in the policies themselves."

As Reagan spoke privately that day about his nine-month Iran-*contra* ordeal, one had the feeling that nothing had changed, yet everything was different. He remains stubborn and unbowed and believing and upbeat; he refuses to hold a grudge. The essence of his talk in the afternoon light of the Oval Office was that a foreign policy operation, born of the best of intentions, went wrong. But the damage, he is certain, will fade. Reagan is calling for the nation to forget and move into the future. Details be damned; unanswered questions be hanged. The great congressional inquisition is finished. Does that mean it is all over? Yes, says Reagan, "as far as the audience is concerned." And Reagan has read the American audience better than any other politician of this decade.

The mill of scandal will grind on. In October, Congress will publish a multivolume report on its findings. Special Prosecutor Lawrence Walsh and his cast of 28 lawyers have vowed to pursue this case to the end. "If the investigation... establishes probable cause to believe that crimes have been committed, it is the duty of the independent counsel to prosecute," Walsh told the American Bar Association last week. "High office, well-intended policies or popular policies do not place anyone above the law." But the impression left by that 40-minute session in the White House was that Iran-scam is a script that may never have a climax. Reagan is free because he did not know. "I knew I'd told the truth," he says, "and that the truth would have to come out, and did." It is hard for Washington, so conditioned by guile and intrigue, to accept that. Yet Reagan's eyeball-to-eyeball insistence can sway almost any doubter.

O.K., Mr. President, but how do you feel now about Oliver North and John Poindexter and Robert McFarlane, the aides who ran amuck with your policies? "Well," says Reagan, resplendent in the dark brown suit that has been the bane of the gray-pinstripe fraternity for 6½ years, "I heard them out. I can understand why they did what they did and what their motives were, and certainly they weren't bad motives. And I'm just sorry that it turned out that way." There was no hint of bitterness or even anger in his husky voice.

Why didn't the President call North into his office when the scandal broke last November and ask him to lay out what he had been doing? "Whether our thinking was right or wrong at that point—and we were all agreed here that with this now exposed and my not having been told, that they [North and Poindexter] just had to leave the National Security Council—they could not continue. So I thought of

that before I thought of any questions or anything, and I think they both felt the same way."

The logic of Reagan's response to the crisis last fall is plainly fixed in his mind. When asked what his big mistake may have been, he slides around the question, drawn again into that belief that sustains him. He was protecting lives, daring to believe that there might be a change in Iran that would lead to better relations.

How did he react to the congressional hearings? Is there any truth to reports of a melancholy Reagan worrying and brooding about each hour's revelations? "Actually," says the President, "I didn't change my pattern or my schedule much at all. I might have a few minutes and step into the next room and turn on the TV just to see who was on and so forth. I didn't have to depend on the press. Our legal counsel kept me informed with a summary."

In his speech, Reagan was somewhat conciliatory toward Congress. "Probably

husk. "I feel just fine," he says. "I haven't slowed down any. The pace is the same. I do know that—other than my nose—the last operation that I had [to remove polyps from his colon in June], I did without anesthetic and got up off the table and went upstairs and put on my ranch clothes and went to Camp David and finished the day with a swim there, and the next day with a horseback ride."

He points out that he has enjoyed every one of his careers, from lifeguarding to sportscasting to acting. Politics? "I fought like a tiger against ever running for office," he recalls, but once he captured the California statehouse in 1967, he and Nancy made a surprising discovery. "I have to tell you, we'd only been in the Governor's mansion a few months, and one night we looked at each other, sitting in the living room in Sacramento, and said, 'This makes everything else we've ever done look as dull as dishwater.'"

On Thursday Reagan boarded Air



Signing an autograph at a picnic in North Platte with Nebraska Governor Kay Orr, left

the biggest lesson we can draw from the hearings is that the Executive and Legislative branches of Government need to regain trust in each other," he said. "We've seen the results of that mistrust in the form of lies, leaks, divisions and mistakes." Privately he holds a skeptical view of the role Congress has played in the scandal: "For years there has been a kind of friction between the Executive Branch and the legislature and an attempt to erode the powers of the President... For half a century now, with only an exception of a few years, the Congress, both houses, have been of one party. And I think if you check back, every President of the opposite party has been investigated for something or other. But I don't recall any investigations of the Presidents (personally) when the Presidents and the legislature were of the same party."

Reagan looks a bit older; he has a few more gray hairs per square inch, an extra wrinkle or two. But he's no despairing

Force One and headed west with a stop in the wide grasslands of North Platte, Neb., for some political tub thumping. By week's end he had rushed into the embrace of his ranch in California, where, after a near miss between his helicopter and a small private plane, he was preparing for a 24-day assault on scraggly brush along his riding trails.

The great Houdini of American politics is neither as wounded and agonized as his critics claim or would like, nor as robust as he used to be. One thing is sure in this extraordinary season of end and intermission and beginning: he will fight as long as he breathes. In the Oval Office, Reagan was asked about his retirement. "I have a hunch I will be back on the mashed-potato circuit," he says. "campaigning for things I believe in and people I believe in." He could have added: and looking for the rainbow just beyond the thunderheads that always threaten but have not yet driven him down.

—By Hugh Sides/Washington

Defining the Real Robert Bork

Battle lines are drawn over the Supreme Court nominee

Robert Bork is a centrist judge. An open-minded moderate, he decides cases with the same sense of detachment and fairness that marked the opinions of the man he may succeed on the U.S. Supreme Court, retired Justice Lewis Powell.

Robert Bork is a right-wing ideologue. As a Supreme Court Justice, he would show little respect for the past 30 years of judicial precedent. Acting on dogmatic, narrow-minded views, he might vote to overrule landmark decisions on abortion, civil rights and church-state separation.

These colliding images have set the stage for what is expected to be a highly

criticism yet of Bork. A presidential candidate who has already announced his intention to vote against Bork's confirmation, Biden told the American Bar Association convention in San Francisco that Bork might try to revoke "dozens" of the milestone Supreme Court decisions that the judge has called "lawless," "unprincipled" and "utterly specious." Said Biden: "Had he been Justice Bork during the past 30 years and had his view prevailed, America would be a fundamentally different place than it is today."

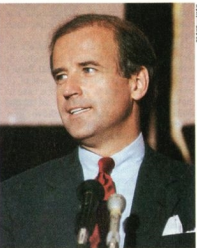
Later that day former Chief Justice Warren Burger condemned Biden's plan to

The White House's depiction of Bork is a "campaign of misinformation," according to Ralph Neas, executive director of the Leadership Conference on Civil Rights. In coordinating the anti-Bork coalition, Neas and his allies have reviewed Bork's record as a Yale Law School professor, U.S. Solicitor General and a judge on the U.S. Court of Appeals for the District of Columbia.

The Public Citizen Litigation Group, an organization founded by Nader, released a report undermining the idea that Bork practices judicial restraint. "In divisive cases, you can predict Bork's vote with virtual complete accuracy, simply by identifying the parties in the case," charges Alan Morrison, head of the Litigation Group. Reviewing the judge's appeals-court votes in 56 split decisions, the Litigation Group said that Bork consis-



The controversial jurist: quietly lobbying for himself on Capitol Hill



Biden: heating up the war of words

contentious Senate confirmation hearing next month. By the time Bork begins testifying before the Judiciary Committee on Sept. 15, hundreds of liberal and conservative groups will have spent more than \$20 million to promote their sharply different pictures of Bork. Since the President announced Bork's nomination six weeks ago, the pro- and anti-Bork juggernauts have accelerated. "It's like a toboggan going downhill," says Consumer Advocate and Bork Opponent Ralph Nader. "It's shaping up as the biggest battle in a long time." For liberals, the stakes were emphasized by the medical problems of three of the four Justices who usually support their views. Thurgood Marshall, 79, was hospitalized last week for a blood clot in his right foot, and William Brennan, 81, for a prostate examination that found no cancer. Harry Blackmun, 78, will enter the Mayo Clinic next month for treatment of prostate cancer.

The war of words over Bork heated up last week as Delaware Democrat Joseph Biden, chairman of the Senate Judiciary Committee, delivered his most forthright

grill Bork during the confirmation hearings. "No judge up for nomination under any circumstances should ever be asked to commit himself on how he's going to vote on a case that's coming before the court at some future date," declared Burger.

Bork's strongest defense, appropriately, came from the White House. In his television address, Reagan cited Bork's confirmation as his first goal for the remainder of his presidency. Bork's nomination, said the President, "is being opposed by some because he practices judicial restraint. That means he won't put his opinions ahead of the law; he won't put his own opinions ahead of the law. And that's the way it should be."

Although some right-wing groups have hailed Bork as a kindred conservative who will shift the court to their liking, Reagan has gone out of his way to portray Bork as a moderate in the Powell mold. The White House has distributed to key Senators a briefing book that outlines many of Bork's rulings and proclaims that his appointment to the court "will not alter the balance in any way."

tently found for the Government when it was sued by public-interest groups, consumers or workers. But in eight decisions in which business interests challenged the Executive Branch on regulatory or labor issues, Bork sided with business every time. Amid the furor over his nomination, Bork has been quietly lobbying for himself on Capitol Hill. He has met privately with nearly all the 14 members of the Senate Judiciary Committee, assuring the lawmakers that he would bring no prejudices to the court. Five Democratic committee members, however, are expected to vote against Bork, while five Republicans have declared their support. The three most likely swing votes: Republican Arlen Specter of Pennsylvania, Democrats Howell Heflin of Alabama and Dennis DeConcini of Arizona. Whatever the Judiciary Committee decides, the Bork nomination has become so controversial that the final battle over confirmation will take place in the full Senate.

—By Jacob V. Lamar Jr.
Reported by David Beckwith and Anne Constable/
Washington

Spilled Beans

A defector bares Cuban secrets

Fidel Castro celebrated his 61st birthday last week, but the public greetings extended by a former comrade-in-arms could not have been welcome. In two programs beamed repeatedly to Cuba on U.S.-sponsored Radio Marti, Florentino Aspillaga Lombard, 40, a soft-spoken and much decorated major in the Cuban intelligence service, told of his defection to the U.S. out of disgust and frustration with the Castro regime. He minced no words in accusing the Cuban leadership of corruption, decadence and abuse of power, and promised to blow the cover off Cuban intelligence operations.

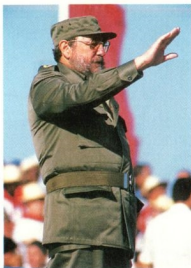
According to U.S. officials, Aspillaga walked off his job as Cuba's intelligence chief in Prague on June 6, drove an embassy car across the border to Austria, and introduced himself to U.S. diplomats in Vienna. His crossover came just nine days after the defection of another high-ranking Cuban official, Air Force Brigadier General Rafael del Pino Diaz, who has also been heard on Radio Marti.

Apparently neither Aspillaga nor Del Pino knew the other planned to defect. Analysts viewed their actions as a sign of growing unease within Cuba, as the economy continues to fizzle and Castro seeks to impose increasingly harsh austerity measures. Persistent but unconfirmed reports circulated last week that the U.S. had granted asylum to a third disgruntled Cuban official. Said a U.S. diplomat: "After 27 years, they have realized that Fidel has ruined Cuba."

In Aspillaga's radio broadcasts from Washington, where he is being debriefed by the CIA, he described Castro's lavish life-style. The Cuban leader, he claims, has a private fleet of yachts and keeps a luxury home in each of Cuba's 14 provinces. While the populace contends with housing shortages, Castro reserves "hundreds of houses" in Havana's Jaimanitas section for the use of his security guards and aides. While the government demands austerity from the populace, Aspillaga said, officials order underlings to send home foreign luxury items and use government satellite dishes to tune in to U.S. televised movies.

The former revolutionary, who joined Castro's movement at the age of 15, claimed that the Cuban leader has a stash of cash totaling several million dollars hidden away in Switzerland. "Who can sanction Castro?" asked the defector. "What parliament or national assembly can ask for an explanation of what is done with that money?"

The most damaging revelations concern the extent and nature of Cuba's intelligence and military operations. According to Aspillaga, Cuba's intelligence service, with a total of 2,086 employees, grew substantially more active after the U.S. invasion of Grenada. He said Cuba has steadily acquired U.S. technology, in



Secret splendor: Castro on May Day, 1987

violation of the American trade ban, through Panamanian Strongman Manuel Antonio Noriega, who reaped millions from the transactions. Noriega, he said, helped Cuba send arms to Nicaragua and to rebel groups in El Salvador, Honduras and Colombia.

Most important, Aspillaga said he will give U.S. officials the names of 350 Cuban agents who have penetrated foreign governments—after sufficient time has passed for these *compañeros* to return safely to Cuba. Intelligence analysts expect that the list will cripple Cuba's covert intelligence-gathering capability for several years.

Cuba's government-controlled newspapers made no mention of Aspillaga's defection, though the broadcasts were the talk of Havana. For the past six weeks, Cuban television has been airing a documentary about CIA activities in Havana in which Cuban double agents step forward to expose alleged U.S. spies. Aspillaga's revelations finally made clear why Castro was willing to unmask so many of his own secret agents for the sake of this broadcast: with Aspillaga talking to the CIA, their cover was already blown.

—By Kenneth M. Pierce.

Reported by David Altkman/Washington



Del Pino being greeted by George Bush
Defecting out of disgust and frustration.

Lethal Doses

Police probe 34 deaths

When 44-year-old John Powell died at Cincinnati's Drake Memorial Hospital last March, doctors were not surprised. Powell had suffered severe head injuries in a motorcycle accident and had been comatose for eight months. But an autopsy revealed that Powell had actually died from a lethal dose of cyanide received shortly before his death. After a brief investigation, Donald Harvey, a 35-year-old orderly at Drake, confessed to the killing.

At first Powell's murder appeared to be an isolated incident. But soon afterward, several workers at Drake called local station WCPO-TV to say there had been an unusually high number of unexplained deaths on the wards where Harvey had worked. The station's investigative report on the subject in June prompted a grand jury probe. The bodies of ten people were exhumed by the Hamilton County coroner, and traces of arsenic were discovered in several. Last week WCPO reported that Harvey admitted to police he killed 34 people: 23 patients at Drake, five at a local Veterans Administration hospital where he used to work, and six others. Most were described as elderly and ailing. His methods, according to the report, ranged from cyanide, arsenic, rat poison or cleaning fluid to suffocation with a plastic bag or pillow. Police have refused to comment on the case, pending completion of the grand jury investigation.

A quiet man, Harvey had been given generally good marks by his hospital supervisors for his caring attitude toward patients. He had, however, come under suspicion at the VA hospital in 1985, when some tissue samples were stolen from the hospital's labs. Harvey resigned, and was then hired as an orderly by Drake, which was not told of his troubles at the VA because of federal privacy laws.

Harvey faces only one murder charge so far, but several more are expected to be handed up this week. At his arraignment for Powell's murder, Harvey pleaded innocent by reason of insanity. Since then, court-appointed psychologists have turned up no strong evidence of mental illness, and his lawyer says he will probably abandon the insanity defense. The attorney is reportedly trying to strike a deal with prosecutors that will spare Harvey the death penalty. "My son has always been a good boy," Harvey's mother Goldie Harvey McKinney told the Cincinnati Post. "He's still a good boy. He's just sick, terribly sick. And he needs a good doctor."



Donald Harvey



DETROIT, 1967: despair gave way to grotesque destruction

The Ghetto: From Bad to Worse

The wounds of the 1967 riots still fester



A raid on an after-hours "blind pig" bar in Detroit, a scuffle between a Newark cabdriver and the police—these were the flash points 20 years ago as the summer of 1967 erupted into the Fire This Time. Ghetto despair gave way to grotesque destruction: 43 dead in Detroit, 26 killed in Newark, injuries and arrests in the thousands. By September more than 100 cities had been scarred by rioting, an alphabetical roster of shame that stretched from Atlanta, Boston and Cincinnati to Tampa and Toledo. National Guardsmen patrolled the streets, and a federal commission probed the causes.

Out of the ashes came pious promises from politicians and the rhetoric of renewed resolve. "The only genuine long-range solution for what has happened lies in an attack—mounted at every level—upon the conditions that breed despair and violence," proclaimed President Lyndon Johnson. No one seriously thought the inner city could be transformed overnight. But few were cynical enough to envision what actually happened: an entire generation would pass as life in the black ghettos of a rich nation went from bad to almost unimaginably worse.

"You tell me what went wrong," asks Jonas Walker, 33, at the end of another long summer's day of hanging out on a street corner in Liberty City, a ghetto north of downtown Miami. "We got civil

rights, we got welfare," he says. "But look around here." For emphasis, he kicks at a pile of empty beer cans littering the sidewalk. A high school dropout, Walker gave up his last job, bagging groceries, two years ago. "When I was growing up in Mississippi, we were poor all right, but we didn't have the madness," Walker recalls. "Now we're just stuck here in this poor-ass ghetto, watching Oprah Winfrey on TV and listening to the damn gunshots at night."

What went wrong for the 4 million black Americans still trapped in festering inner-city ghettos? Why do one-third of all black families remain mired in poverty? Why is the jobless rate for black teenagers 40%? Why are 60% of all black children born out of wedlock? And why has the American ghetto become a self-perpetuating nightmare of fatherless children, welfare dependency, crime, gangs, drugs and despair?

Theories abound, but answers remain elusive. Perhaps the most promising approach grows out of the work of Black Sociologist William Julius Wilson of the University of Chicago, who popularized the concept of the underclass in his 1978 book *The Declining Significance of Race*. Wilson and his philosophical allies reject the simplistic single-factor theories of cause and effect, which range from the permissiveness of welfare to the pervasiveness of racism. Instead, they stress the ever widening social and economic gap

between ghetto residents and the rest of American society, both white and black.

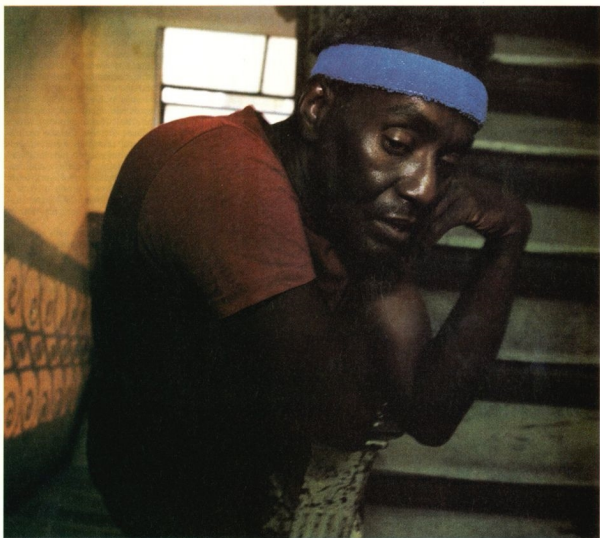
It is hard to remember that until the 1960s ghettos from Harlem to the South Side of Chicago were beacons of hope for blacks fleeing from the rigid segregation of the Jim Crow South. Jobs—dirty, low-paying, but regular—were available in thriving urban industries to anyone with a mind to work and a back strong enough for heavy lifting. Although pernicious, segregation at least compelled a sense of community, with black professionals and businessmen living among those who were far less successful. "These figures served the black community well as visible, concrete symbols of success and moral value, as living examples of the result of hard work, perseverance, decency and propriety," writes Elijah Anderson, a black professor of sociology at the University of Pennsylvania.

All that changed with the successes of the civil rights movement. The breakdown of rigid patterns of segregated housing offered middle-class blacks the opportunity to move beyond the ghetto walls. "The most upwardly mobile are the first to leave," explains Walter Williams, professor of economics at George Mason University. "Then the next best, the church members and civic leaders, leave. They are replaced by those who care less. There is cumulative decay."

Where once the ghetto provided a mix of black social classes, now residents are bound together under the yoke of poverty and impoverished aspirations. In a forthcoming book, *The Truly Disadvantaged*, Wilson argues that those who have been left behind in the ghetto have inherited not "a culture of poverty but social isolation." Inner-city residents can go weeks without encountering anyone, black or white, who is a middle-class achiever.

Take Carla Smith, 25, a welfare mother who lives with three of her four children in Passyunk Homes, a public housing project in South Philadelphia. She and her children rarely leave the four-block project except to walk to the nearby grocery and discount-clothing stores. "I'm young, but I might as well not be," says Smith. "I don't do nothing. I don't go nowhere. My partying days are over. I just stay here with my kids all day long."

Much of the recent debate over poverty has stressed the need to provide jobs and training for welfare recipients like Carla Smith. But by making welfare the crux of the problem, both liberals and conservatives have ignored the single most serious cause of the misery of the ghetto: the shockingly high jobless rate among young black men. Unskilled and ill-educated, these young men are the true victims of America's dramatic transition away from a manufacturing base. Even when there is decent-paying work available, Wilson contends that social isolation excludes the black underclass from the "job-network system" that permeates other neighborhoods. One statistic tells it all:



HARLEM, 1987: the exodus of the black middle class left ghetto residents bound together under the yoke of impoverished aspirations

in 1985, 43% of all black male high school dropouts in their early 20s reported earning no money whatsoever. As recently as 1973, that figure was just 12%.

Of course, some of these ostensibly unemployed young black men do earn money illegally, often from selling drugs. But the explosive growth of the ghetto drug culture further erodes the work ethic. In a recent paper, Anderson laments the growing cleavage between what he calls "old heads and young boys." Old heads were the traditional neighborhood mentors of ghetto youth. Their message, Anderson writes, "was about manners and the value of hard work, involving how to get a job, how to keep a job, how to dress for a job interview, how to deal with a prospective employer." But with work scarce and cocaine permeating the ghetto, young blacks now tend to dismiss old heads as old fogies preaching a message as irrelevant as antidrug lectures.

A lack of jobs for young black men translates into a lack of ability for them to

take responsibility for the children they father. This, Wilson argues, helps explain the staggering growth of inner-city illegitimacy. A recent study by the Children's Defense Fund found that 90% of all babies of black teenage mothers are born out of wedlock. As Harriette McAdoo, professor of social work at Howard University, puts it, "Men are unable to maintain themselves in the labor market, and they are unable to maintain their families."

What can be done to break this iron triangle of social isolation, black joblessness and single-parent families? Even 20 years after the ghettos of Detroit and Newark erupted into the fires of long-suppressed rage, Americans cling to the sanguine faith that some magic formula can end this cycle of poverty and social pathology. More money for social programs, a welfare system with stronger incentives to succeed, the teaching of values in the schools: these are the familiar answers of policymakers. But compared with the gravity of the problems of the black un-

derclass, almost all the standard remedies amount to little more than changing the bandages on a festering wound.

Twenty years of failed programs, from community development to public housing, point to a depressing conclusion: little will be done to make the ghetto an acceptable place to live and raise children. This by no means suggests abandoning those trapped in the inner city. Rather, the emphasis of both government and private philanthropy must be on helping the black underclass escape the social isolation of these inner-city wastelands. What successes there have been come not through cosmetically improving the ghettos but by providing residents with opportunities through jobs and education to rise out of them. Saving people, not inner-city neighborhoods, may be the only way America can redeem the promises that were made against the charred urban landscape of that terrible summer of 1967.

—By **Walter Shapiro**. Reported by **Jack E. White/Chicago**, with other bureaus



Wolf clan: among them, Cornell, left; Kahlid, left center, in black; Kenneth, right, in hat

Down and Out And No Place to Go

The dashed dreams of one Newark family

Newark, New Jersey. The name had a ring of hope to it. At least, that's what Cornell and Minnie Wolf thought 34 years ago when they boarded the "Southern Comfort Special" in Albany, Ga., bound for Newark and a better life. Cornell, a hulking, powerful man who never got past the third grade, had toiled on the "bossman's" plantation picking beans, peanuts and cotton from can't-see in the morning until can't-see at night. Like thousands of Southern blacks, he had heard stories about those high-paying Northern jobs, those red brick Northern houses, and at 22 decided to take his 19-year-old wife and their three children to the land where everything seemed possible.

He got work in a slaughterhouse, then switched to a job at a leather-processing factory. It was punishing work, and it meant a three-mile walk to and from the plant, but Cornell hardly missed a day. Though his family grew to include 13 children, he managed to keep them all clothed, warm and fed. They never took public aid. "You were ashamed to be on welfare then," recalls Minnie, who sometimes worked as a domestic. "There was a stigma attached to it." They lived in the central ward of Newark, among stable families headed by bus drivers, sanitation workers and teachers. If Cornell wasn't around when any of his seven boys and six girls needed disciplining, one of the neigh-

bors would handle it. The community was one large extended family.

But today the Wolf family, like its adopted city, is in an advanced state of decline. Along with thousands of other families in dying inner cities, the Wolfs have become mired in a morass of welfare, crime and self-destruction. In a generation, they have descended from proud working class to demoralized underclass. Nine of the 13 children have never held a meaningful job, nor do they care to. Only one of the boys finished high school. Two of the girls became teenage mothers and live on welfare. One of the girls lived a fast life that came to a crashing end at 22.

The downward spiral of the Wolf family is linked to the disintegration of Newark's most impoverished neighborhoods. Twenty years ago the city had 9,000 businesses and more than 200,000 jobs; today it has less than half that many businesses and 120,000 jobs. The population, which was more than 80% white and totaled 430,000 in 1950, has shrunk to 330,000, 65% black. Although thousands of hardworking black families remain, nearly a third of the residents depend on public assistance. In some neighborhoods more than three-quarters of the families are on the dole, many for the third or fourth generation. Newark has few rivals in percentage of substandard housing and, though only the 48th largest U.S. city, ranks fourth in incidence of murders. In many ways, Newark has never

really recovered from the 1967 riots.

The Wolf family's decline began with the first batch of boys. The father, raised in the rhythms of a small-town farm, did not cotton on to the fast, wily ways of the city streets in which his sons got their education. It didn't help that he had moved the family into the Scudder Homes public housing project, a towering development built as a way station for the working poor, which quickly became a home for the permanent poor, most of whom were on welfare. Minnie remembers her husband roaring, loud enough for the neighbors to hear, "Am I the only fool working in this building?" When Cornell died of a stroke in 1980 at the age of 47, the solitary example he set for his family disappeared.

Cobb and Cornell Jr. both dropped out of school in the tenth grade, joined a street gang and developed gorilla-size heroin habits, which they supported with felonies. Cobb hooked up with a major heroin-dealing operation in Newark called the Country Boys and did well, becoming a street-corner drug prince. Before his death Cornell Sr. had voiced his disapproval, but turned a blind eye because the money helped keep the family from going hungry. In the end both boys were arrested. Cornell spent a year in prison and Cobb got off with five years' probation. He found Islam, changed his name to Khalid Ahmad, and announced that he was finished with the drug trade.

Kenneth, 28, followed in his big brothers' footsteps, dropping out of school and winding up at New Jersey's Annandale penitentiary for armed robbery at 22. Since returning home in 1982, he has fathered a child and married, but has been unable to find suitable work. Cheap liquor has replaced drugs, and he drinks steadily, morning, noon and night.

Every day, all along Prince Street, cars pull up to curbside vendors and the hawking begins. "Hits," shouts a youth peddling uppers and downers. "Dimes, dimes," yells another, selling \$10 vials of crack. They are "clocking"; they work for a set number of hours as middlemen for big-time drug dealers. And that is how Darryl, 24, spends his days. Darryl, who uses drugs as well as sells them, has already had several brushes with the law. But, he says, "I would be crazy to trade this for McDonald's. The minimum wage doesn't support my life-style."

The Wolf women seem to be caught in the same undertow that has dragged down the men. The first three girls, Patricia, 35, Theresa, 31, and Renee, 27, all finished high school, but today only the eldest, who is divorced and works as a secretary, gets by without a welfare check. Theresa and Renee have three daughters between them; Renee is unmarried, and Theresa's husband is unemployed. "We make bad choices [in men]," explains the tall, slender Patricia, "because we have so little to choose from."

But the choices made by the next two Wolf daughters have been even more

tragic. Loretta, 23, has never held on to a job and depends on welfare to support her four-year-old son. According to her family, she has a heroin habit, was arrested for possession and distribution, and is awaiting trial. Her sister Lovette, nicknamed "Betsy," was also a drug abuser; she lived a short life in the fast lane. Betsy had her first child at 16 and a second by a different father at 19. She wore the hippest threads, went to the trendiest places, and consumed drugs as casually as most people eat hamburgers. Crack. Marijuana. Codeine. One afternoon this past April, the youngest of the sisters, Kemya, found her 22-year-old sister sitting fully clothed on the toilet, stone cold. To this day Minnie Wolf insists that Betsy did not die of a drug overdose. She says it was asthma.

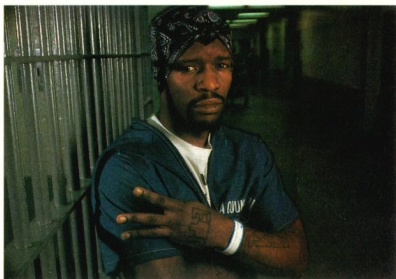
If the first wave of Wolf children has fared poorly, the three still in their teens show no signs of doing better. The stories of Anthony, 19, Kemya, 16, and Myndell, the baby, 14, all have a disturbing sameness. None of them are interested in school; all are drawn to the street. They don't read newspapers or much of anything else. When asked what places like Selma, Birmingham and Greensboro mean to them, they are dumbfounded.

Anthony isn't clocking yet, but says he's considering it. He wants a pocketful of cash like the drug dealers have. He envies their "fly" cars and the pretty women who admire them. "Even if I worked hard and got a car, I can't get the women without the drugs," he insists. "Nowadays you're not 'down' unless you're doing drugs or selling drugs."

Kemya, a pint-size sprite no more than 5 ft. tall, dropped out of school because she didn't see the point of it. "I don't see a connection between being in school and life after school," Kemya, as her friends call her, was smoking cigarettes at eleven and marijuana at twelve. She lost her virginity early. She says she doesn't use birth control and doesn't worry about getting pregnant. The youngest, Myndell, already has a taste for street life. He likes to dress sharp and pressed his mother until she bought him a \$200 bomber jacket. Not long afterward, some neighborhood thugs relieved him of it at gunpoint.

Among all the Wolf sons only one seems to have escaped the ghetto's destructiveness. Gregory, 26, graduated from high school. He now goes to college and works at a school for emotionally disturbed children. Yet there is a distance between Gregory and his siblings, and he does not appear to be a role model for any of his brothers and sisters.

Minnie can't explain why her children have gone wrong. She feels powerless to prevent Kemya from going out with drug dealers or the boys from sidewalk hustling. For her, unlike her children, the streets are foreign territory. "I think we lost control at some point," she says, as though trying to recall something in the distant past. "I don't exactly know when, but somehow we lost control over the kids." —By Thomas McCarroll/Newark



Convicted Killer Hagan sports the Crips' blue bandanna and gives the members' hand signal

Life and Death With the Gangs

Michael was a home boy; Kellie dreamed of modeling . . .



Michael Hagan's idea of a good time is to guzzle a few bottles of Olde English "800" Malt Liquor and smoke PCP with his fellow gang members in the slums of south central Los Angeles. There is no telling what might happen.

During one Monday-evening binge, Hagan, 23, and his "home boys" decided to have some sport with a rival gang. Flushed with bravado, five of them piled into a blue Buick and sped toward enemy turf. There they spotted four teenagers, two of them girls, standing at a corner in front of a cinder-block wall covered with gang graffiti. Hagan grabbed a semiautomatic rifle and, with a fellow home boy known as "Baby Monster," strolled to the corner.

When the teenagers saw the rifle, three of them ran. But Kellie Mosier, 17, a lissome, bright-eyed high school junior who worked in an ice-cream store, never got a chance. As she turned to flee, Hagan began squeezing the trigger, methodically emptying all 15 rounds from the fully loaded clip. Just for kicks. Mosier was hit six times in the back.

This summer Hagan was convicted of first-degree murder for the 1986 slaying. His sentencing is set for September. He pleaded not guilty, claiming that the fatal day was blurred by drugs. Witnesses testified otherwise. Like so many other killers churned out each year by the ghetto, Hagan does not really care what hap-

pened. He does not care about Kellie Mosier or her family or her dreams of being a model or the fact that she never belonged to any gang. "I done did something, and I'm known," he boasts, smiling broadly as he lounges behind the bars of the Los Angeles County jail. "I consider myself public enemy No. 1."

If many American ghettos now resemble Beirut, urban terrorists like Hagan are largely responsible, acting as roving gangs peddling drugs and violence and terror. Despite the fratricide among gangs, most of their victims are innocent bystanders. Says Lieut. Bob Ruchhoft of the Los Angeles police department's gang detail: "Life is cheap as hell in some of these communities."

Los Angeles is home to more than 200 gangs with some 12,000 members, an increase of about 25% from 1980. There were 187 gang-related homicides in 1986, a 24% increase over 1985. So far, this year looks even worse. Drive-by shootings are more common than smog alerts, and the burgeoning trade in crack cocaine has turned gangs from stray hoods into multi-million-dollar enterprises equipped with Uzis and AK-47 assault rifles.

Gangs are prospering because crime pays in the ghetto. Many gangs have made the deadly transition from switchblade bravado to organized crime, serving as highly efficient distributors for Colombian cocaine dealers. Stiff competition has prompted bloody firefights in broad day-

light over market share, while the influx of drug money provides topflight weapons, fancy cars and high-tech surveillance equipment. Once an adolescent phase, gang membership is now a full-time job, enticing many members to stay well into their 20s and 30s.

Hungry for customers, a growing number of gangs are going national, with black gangs like Los Angeles' Crips and Chicago's Disciples establishing franchises in cities from Seattle to Shreveport, La. "They're all over," says Detective Robert Jackson of the Los Angeles police department gang detail. "We've got a glut of coke here in Los Angeles, and the price is down. They can make three times as much money in Phoenix or Denver." Phoenix has suffered seven gang-related murders this year. In Denver the first Crips were detected in 1984; last March police there busted a crack house run by another Los Angeles ghetto gang, the Mafia Bloods.

In Los Angeles most black gangs call themselves either Crips, who wear blue, or Bloods, who favor red. Crips fight Crips and Crips fight Bloods; there is no central command over the hundreds of separate gangs. At stake are fiercely coveted turf and customers. "We're talking about unfeeling, murderous villains," says Sergeant Wes McBride of the Los Angeles sheriff's gang squad.

At 5 ft. 6 in. and 140 lbs., Hagan is all muscle and fight. His gang moniker, tattooed across both forearms, is "Wishbone." But "Powder Keg" might have been more appropriate. "If I'm loaded and get mad, anything can happen," he warns. He reckons that about ten of his friends have died violently over the years but still finds the dangers of the streets "exciting." Just another rush in a big man's game of cowboys and Indians. Even the prospect of a lifetime behind bars does not crack the cold composure. "To me, life is not much better on the streets than in jail," he says. "I can live here, no problem." He's not afraid of dying; he's not afraid of jail. Society has nothing to scare Hagan into line.

The oldest of three children, Hagan grew up with his mother in the squalor of south central Los Angeles. His father left the family when Hagan was only ten. It did not take Hagan long to learn who had the girls, the cars, the clothes and the prestige. When he was 13, he was jumped by a dozen local gang members, who beat him savagely. He fought back like a wild animal, and his courage earned him the status of a home boy, the generic street name for a fellow gang member. He had been accepted.

"The gang is your family," he explains. "If you're my home boy, I fight for you, no matter what the odds. If you're the enemy, it's do or die." Young punks with real guns playing capture the flag for

keeps. Hagan is a member of the Eight-Tray Gangster Crips, a pack of predators named after their turf along 83rd Street. They identify themselves with hand signals and mark their territory with hieroglyphic graffiti that translate into a simple warning: TRESPASSERS MAY BE SHOT.

Within a year after joining the gang, Hagan was drinking, fighting and smoking PCP with the best of the home boys. Eager to please the older gang members, he became the fearless errand boy, quickly learning to rob and steal and priding himself on his growing reputation as a "crazy." He says: "I was like a hardhead. The more my parents told me to stay away from gangs, the more I wanted to hang with them." He has his own ideas about parenthood: "If I had a son, I would give him a choice: either he can go to school and be a goody-goody or hit the streets."



Irene Mosier contemplates her daughter's picture and her loss

Shuffled among five different high schools because of his gang activity, Hagan was arrested as a juvenile in 1979 for robbery and served five months. In 1981 he mugged an off-duty policeman and served four years. He finally managed to graduate in 1982 while behind bars. "When I was younger, it was fun," he says of his criminal career. "Like Al Capone and Bugsy Siegel. I didn't think I was going to get into the radical stuff." But the radical stuff became addictive.

Raised amid violence, Hagan responded with greater violence. Walk around like a hand grenade with the pin pulled, and people will make room. A soldier since age 13, he is adept at using battlefield logic to justify the daily carnage. "If you're in a war, you just accept that the only thing you can do is

stay alive," he says. He impatiently explains the necessity of stealing from the enemy: "It's like I'm coming up in the world, you know. I'm trying to make it, and I need your wallet. That's how I see it." He bluntly cautions his victims not to resist: "If you pull out a gun on us, we're not going to leave you walking. You're trying to retaliate, and that means you just don't care about us." Cocking his head back, he adds menacingly, "Think about it: Do you want your wife and kids to find you six feet under because of your wallet?"

Still, even that twisted logic does not explain his cold-blooded murder of Kellie Mosier. A junior in high school, she was working at her first job, while Hagan was being initiated into gangs at the age of 13, she was still playing with dolls.

Resisting pressure at school to join the gangs, she selected friends who shared dreams beyond the streets, and they stuck together for protection. Poised and attractive, she dreamed of being a fashion model.

Kellie was gunned down just five blocks from the neatly manicured, stucco home in south central where she lived with her mother Irene, 36, and her grandparents. Now all that remains of her is the silver-framed picture on the mantel and the bedroom her mother will not touch. Kellie was an only child. "We were best friends," says Irene, sitting in her daughter's room beneath the pictures of cover girls still taped to the wall.

After Kellie was killed, Irene quit her job as a clerk at a computer software company and stormed the streets in search of the killer, barging into local dope houses with a fury born of grief. Then came a letter from a sympathetic inmate in the county jail who provided the names and addresses of the gang members involved. Irene waited three days before passing the tip on to police. She explains, "I wanted to kill him myself."

During the trial, Irene endured Hagan's remorseless composure and watched in disgust as he reveled in the pride of gang life. Sometimes, when she sits alone in her daughter's room, she cannot help wondering where a young boy learns to pull the trigger without blinking, why manhood in the ghetto is such a dangerous thing. "I knew these gang members when they were just babies," she says sadly. "Now look at them. They've turned into killers."

Across town in the Los Angeles County jail, Hagan is chuckling. He cannot believe someone would ask him how gang members learn to shoot. "It's just like in the movies," he explains, demonstrating different firing positions. "You just shoot until you hit something."

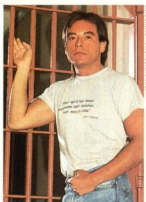
That's what Hagan did. Six out of 15 into the back of a girl he had never met.

—By Jon D. Hull/Los Angeles

American Notes



Accidents: workers remove victim from Colorado bus



Chutzpah: Convict Candelaio



Biotechnology: Stobel inspects an elm

ACCIDENTS

Mountainside Tragedy

A sight-seeing bus tour through the Rocky Mountains west of Denver is one of the nation's summertime spectacles. But the scenic trip was tragically cut short for 28 vacationers last week when a 6½-ton boulder careened 710 ft. down a mountainside, smacking into the side of their bus.

The mishap, which killed eight people, three of them foreign tourists, and seriously injured six, was no natural disaster. The boulder was being moved by a state road worker when it suddenly plummeted out of control.

Roy Romer, the Governor of Colorado, which promotes its slopes and scenery to tourists worldwide, said the state would accept "full responsibility" for the tragedy, including what are likely to be substantial payments for damages. "The road should have been closed," he said, "or the rock should not have been moved."

NEW YORK

Rotten Apples Upstate Too

The corruption scandals that have rocked New York City for the past two years spread through the rest of the Empire State last week. As the result of

a wide-ranging FBI sting operation, 44 current and former municipal officials and twelve private contractors were charged with accepting bribes and graft in 40 towns from Great Neck on Long Island to Malone near the Canadian border. Ten officials in New Jersey were also indicted.

The sting began in October 1985 with an FBI agent posing as a supplier of fencing, road signs and other steel products. He apparently had no difficulty distributing \$40,000 in bribes to various officials. Only one of the 106 payoffs proffered was rejected, and that was because the amount was deemed too paltry. Said U.S. Attorney Rudolph Giuliani: "Compared to other states, New York is a much friendlier place to corrupt politicians, crooked businessmen and organized criminals."

CHUTZPAH

Whose Fault Is It Anyway?

Bank Robber Daniel Candelaio had just printed out the door of California Savings & Loan in Oakland last summer, when his getaway was rudely interrupted. The bundle of cash he had stuffed into his pocket had been booby-trapped with a security device. The wall exploded, disrupting the hapless thief's escape and causing second- and third-degree burns around his genitals.

Though he is now serving an eight-year jail sentence, Candelaio is still trying to make a killing from the caper. He has filed a lawsuit claiming that his injuries from the booby-trapped loot entitle him to \$2 million in damages. Stanford Law Professor Marc Franklin says Candelaio could have a case "if he can prove that the intent of the bank was to cause him physical injury." "The punishment for bank robbery," he adds, "isn't maiming."

POLITICS

A Woman's Place

Just two women serve in the U.S. Senate and 23 in the House. Does that mean voters are more at ease with the idea of a woman on the local school board than in the Oval Office? According to a report released by the National Women's Political Caucus, that electoral gender gap, while still prevalent, is beginning to break down. In a survey of 1,502 voters conducted for the caucus by Democratic and Republican pollsters, 57% said they believed that a female President could be as good as or better than a male.

In the poll, women candidates scored higher than men on such issues as health care and education, but voters still preferred having men deal with trade and arms control.

Americans least comfortable with women candidates: country folk and those over the age of 60.

BIOTECHNOLOGY

The Renegade Researcher

Plant Pathologist Gary Stobel knew that he needed permission from the Environmental Protection Agency to inject genetically altered bacteria into 14 trees in the hope of protecting them from Dutch elm disease. But the approval process can take months, and the Montana State University professor wanted to get on with his experiment. So in June he made the injections anyway.

The action, which Stobel discussed with Montana State University's biosafety committee last week, incensed Jeremy Rifkin, the activist who has led a crusade against releasing genetically altered bacteria into the environment. Rifkin, who contends that man-made bacteria might proliferate out of control, demanded that the EPA and other agencies "immediately terminate" the experiment and destroy the trees. But EPA Spokesman Al Heier, acknowledging that the agency's regulations are "somewhat complex," said "nature has enough controls that this product would not get out of hand. That's likely what our final determination will be."

World

THE GULF

Here a Mine, There a Mine

Khomeini sows more mischief in the sea

The waters outside the Persian Gulf resembled a floating parking lot. Scores of empty supertankers, flying the flags of Panama, Japan, Pakistan and many other countries, lay at anchor last week in the Gulf of Oman, as did half a dozen U.S. warships. A menacing cluster of mines had brought the world's busiest oil traffic to a sudden and embarrassing halt. One after another, the explosives bobbed into sight. By week's end at least five had been spotted, and every tiny fishing boat that sailed by was carefully watched in case it tried to plant more of the dangerous devices.

The mines, discovered after one blasted a hole in the U.S.-owned tanker *Texaco Caribbean*, added a lethal new twist to Washington's showdown with Iran. The explosives were the first to be found in the Gulf of Oman, a vital staging area for ships plying the Persian Gulf. Although the U.S.-escorted *Bridgeton* struck what appeared to be an Iranian mine last month, that mishap occurred hundreds of miles inside the Persian Gulf. One result of the new danger was a change of heart by Britain and France, which decided to rush minesweepers to the region after all.

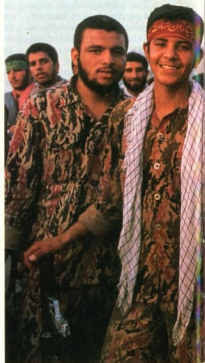
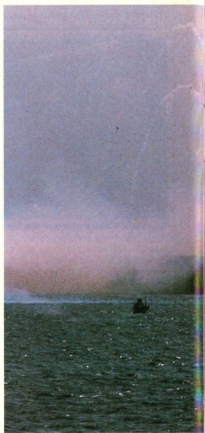
After a silence of two days, Washington reluctantly acknowledged that a Navy fighter had fired a pair of Sparrow missiles at an approaching Iranian jet over the Strait of Hormuz. The targeted plane veered away at the last moment and was not harmed, but the episode illustrated the high state of American readiness to respond to any attacks in the area. In the waters below, American warships led three more reflagged tankers to Kuwait, bringing the total to five since the escort operation began last month. Meanwhile, Iraq broke a 25-day pause in its air strikes against Iran, which have taken a heavy toll in the seven-year Iran-Iraq war. The Iraqis staged more than 100 air raids against Iranian oil fields and a major refinery in the northwestern city of Tabriz.

Iran remained relatively calm following a fit of frenzy two weeks ago. After blaming the U.S. for riots that

killed nearly 300 Iranian pilgrims in Mecca, Ayatollah Ruhollah Khomeini launched four days of war games in the strait and loudly promised to settle the score. Late last week an explosion at an Aramco gas plant on the Saudi Arabian coast raised fears that Iran was stepping up its campaign of terrorist subversion against its gulf neighbors. Some 20 workers were killed. Earlier, Iranian officials paid lip service to a United Nations Security Council resolution that called for an end to the Iran-Iraq war. Iran's U.N. Ambassador, Said Rajaie-Khorassani, declared that Iran would cooperate with peace efforts, but noted that his country neither accepted nor rejected the U.N. plan.

The skirmish in the skies marked the first encounter between U.S. and Iranian forces since Khomeini took power in 1979. The incident occurred while a U.S. P-3 Orion reconnaissance plane and two F-14 Tomcat fighters were flying over the Persian Gulf toward Oman. Suddenly two aging F-4 Phantom jets rose up from Iran's Bandar Abbas air base, near the Strait of Hormuz, and streaked toward the American planes. The Iranians kept coming even after two more Tomcats swept down from a higher altitude and tried to warn them off by radio. One of the Tomcat pilots ordered his weapons officer to open fire once the Phantoms approached within 20 miles. Apparently alerted to the oncoming missiles by radar-tracking systems aboard their planes, the Iranian jets swooped away.

In Washington the Reagan Administration pointedly declined to discuss the encounter, but the White House seemed mildly embarrassed that the Sparrows had missed their targets. "That's not a good sign," said National Security Adviser Frank Carlucci. Defense Secretary Caspar Weinberger even refused to confirm that the attack had occurred. Said he: "Our whole effort here is not to provoke, not to get into a war, not to do anything of the kind." White House Spokesman Martin Fitzwater perfectly captured the ab-



Martyrdom On Display

To show their defiance of the U.S., Iranians earlier this month staged war games in the Strait of Hormuz. Code-named "Martyrdom," the maneuvers lasted four days, but Western journalists were not allowed to watch the exercises. Some rare glimpses: target-practice vessel goes up in smoke; a gunboat equipped with a rocket launcher skims along the gulf; mullahs enjoy front-row seats; young warriors await the call to duty





Irony at sea: a tanker carrying a full load of Iranian oil lists after hitting an Iranian mine

surdity of the Administration's refusal to talk about the episode. After acknowledging that "the President was informed soon after the incident happened," Fitzwater declined to elaborate on the "incident that I'm not confirming."

Two days later the *Texaco Caribbean* was slowly steaming south through the Gulf of Oman. Flying the Panamanian flag, the tanker had just loaded up with Iranian oil at Larak Island terminal in the Persian Gulf. Suddenly, eight miles from the United Arab Emirates' port of Fujairah, an explosion rocked the ship, ripping a gash ten feet wide in its hull. As oil oozed into the sea and sailors hosed down the deck, the *Texaco Caribbean* limped farther offshore to avoid contaminating nearby beaches with oil. Western diplomats speculated that the device was intended for the U.S.-escorted tanker convoy, which had steamed through the area two days earlier.

Five other mines were quickly spotted, their spikes protruding ominously as they bobbed in the sea. If the mines looked rather primitive, there was good reason: most of them were based on a World War I design. According to Defense Department officials, some of the explosives were manufactured by the Soviets. Moscow sold large numbers of the mines to North Korea, which apparently resold them to Iran. The devices pack up to 2,000 lbs. of TNT; when a ship hits the mine, the spikes release acid that detonates the charge.

The discovery of the floating bombs in an area once considered safe immediately halted tanker traffic. Oman and the United Arab Emirates quickly dispatched boats and helicopters to hunt for the mines. Gunners tried to explode the de-

vices by blasting them with rifle and cannon fire. Despite the efforts, a small commercial supply ship blew up late last week, apparently after hitting a mine off the coast of Oman.

Though Britain and France had rejected U.S. pleas for minesweepers two weeks ago, both now felt compelled to act. London announced it was sending four mine hunters to join the three-warship Armilla Patrol that has escorted British tankers in the region for the past six years. Defense Secretary George Younger, however, insisted that the vessels would be used only to protect British ships in the Gulf of Oman and the Strait of Hormuz.

Paris ordered three minesweepers and support ships to join a French naval detachment that is gathering in the region. That display of muscle is designed to strengthen France's hand in its continuing diplomatic standoff with Iran. The two countries severed relations last month after France blockaded Iran's embassy in



Paris, where an interpreter suspected of terrorism is hiding. Iran responded by surrounding the French embassy in Tehran and holding 15 French citizens hostage inside.

Though both Paris and London made it clear that they were acting on their own, the Reagan Administration was delighted. Weinberger again called for an international minesweeping force to patrol the region, but the allies continued to spurn that proposal. The U.S.S. *Guadalcanal*, carrying eight Sea Stallion minesweeping helicopters, is not scheduled to reach the Persian Gulf until later this month, and British and French sweepers are not due to arrive until mid-September.

The U.S. presence in the region already totals 24 vessels and about 17,000 men. With the British and French ships, the armada will grow to 45 combat ships, the largest naval force in the area since World War II. Not everyone applauds that buildup. A bipartisan group of 100 Congressmen filed suit in Washington two weeks ago to compel President Reagan to invoke the 1973 War Powers Act. That measure, designed to give Congress a voice in military crises, would require the Administration to withdraw U.S. forces within 60 days unless Congress approves a longer stay. The case will take months to decide, and months more will



Aboard a British mine hunter
Coping with a floating parking lot.

World

be needed to challenge whatever verdict is reached.

Many on Capitol Hill have complained about the apparent unwillingness of the Arab states to aid the U.S. militarily. Though Weinberger refused to divulge the details, he vigorously contended, "We are getting significant and welcome help from a lot of other countries." Weinberger has a point. Bahrain and Saudi Arabia, for example, rushed search and rescue ships to the stricken U.S.S. *Stark* after an Iraqi fighter plane accidentally attacked the frigate last May, killing 37 men. Several Arab ports in the gulf, including Bahrain and Dubai, permit U.S. Navy ships to

make rest-and-relaxation stops; sailors, however, must wear civilian clothes on land and obey curfews. Despite official denials, Kuwait has offered to provide free fuel and maintenance for the U.S. warships that escort its reflagged vessels.

Nonetheless, the growing tensions in the gulf continue to benefit an unlikely party: Iran. Last month the U.N. Security Council passed a resolution calling for a cease-fire in the Iran-Iraq war. Iraq responded by curtailing air sorties against Iranian oil fields and halting strikes on tankers carrying Iranian oil. The U.S. naval presence has also discouraged Iraqi air attacks. All that has enabled Iran to boost

its oil exports through the Persian Gulf from an estimated 1.5 million bbl. a day last month to an estimated 1.9 million bbl. today, greatly increasing its revenues.

Sometimes, however, even Khomeini gets caught in his own net. Iranian mines have now become the greatest single threat to shipping in the region, a fact that was underscored by the fate that befell the *Texaco Caribbean* last week. But mines are indiscriminate weapons, and in a sense Iran has mined itself as well. After all, the *Texaco Caribbean* was loaded with Iranian oil.

—By John Greenwald.
Reported by David S. Jackson/Bahrain and Barrett Seaman/Washington

Who Needs the Gulf, Anyway?

The hazardous race being run by U.S. convoys through the Persian Gulf coincides with a less publicized development in the Middle East: a rush to expand pipelines as an alternative means of exporting oil.

The region's producers, worried about the vulnerability of tankers, are doubling their capacity this year, creating a network of pipelines that will be able to carry almost half of all gulf oil to Mediterranean and Red Sea ports without a drop of it passing through troubled waters.

Last week Iraqi oil flowed into new lines through Turkey to the Mediterranean port of Iskenderun, boosting export capacity from 1 million bbl. of oil a day to 1.5 million bbl. In April, Saudi Arabia increased the volume of Petrolina, its four-year-old link between Saudi and Iraqi oil fields and the Red Sea port of Yanbu, from 1.8 million bbl. to 3.2 million bbl. In addition, plans are under way for a \$2 billion Iraqi line, called IPSA-2, capable of carrying 1.6 million bbl. to Yanbu.

On the other side of the war, Iran is seeking ways of bypassing its embattled terminal at Kharg Island. Despite the project's estimated cost of \$2 billion, Tehran says it is building a 1.5 million-bbl. line from its oil fields in southern Iran to the port of Jask, outside the Strait of Hormuz. Iran also announced last week a tentative agreement with the Soviet Union to ship oil to the Black Sea through a converted gas pipeline that has not been in use since 1980.

Most experts regard the lines as too costly to fully replace tankers, which are the cheapest way to move gulf oil despite the high insurance rates that must be paid by the ships' owners. Moreover, the pipes can suddenly be shut down by war, especially if the routes cross national borders. Saudi Arabia's route through Lebanon has been closed since 1983, and Baghdad's pipe to the Syrian coast was shut down soon after the Iran-Iraq conflict began in 1980. In addition, pipelines remain vulnerable to sabotage

and attack by planes or missiles.

These disadvantages are offset, however, by the devastation of the tanker war. "In a normal world, pipelines make no sense at all," says James Akins, former U.S. Ambassador to Saudi Arabia. "But who would be so foolish as to say that anything is normal these days in the gulf?" Thomas McNaughton, a senior analyst with the Massachusetts-based Cambridge Energy Research Associates, agrees. Says he: "Pipelines are no final answer for anyone. Yet it makes sense to diversify, to provide an alternative to being held at gunpoint."

Without pipelines, Iraq might have been knocked out of the war by now. Soon after the fighting broke out, the country's ports were closed and its credit dwindled. Baghdad adopted a strategy of expanding its lines while at the same time attacking tankers carrying Iranian oil. By increasing its exports through Turkey and Saudi Arabia, Iraq earned enough foreign exchange to buy much needed arms.

Though Saudi Arabia's Petrolina cost as much as \$5 billion, the network equips the kingdom with the best hedge that money can buy against a possible closing of the gulf. With pipeline access to the Red Sea for shipping its oil, Saudi Arabia can avoid an export shutdown caused by the tanker war and is better equipped to withstand any pressure to fall in line with policies pushed by Iran—or the U.S.

Kuwait, a strong supporter of Iraq and thus Iran's bitter enemy, has thought about building pipelines, including a \$1 billion project that would run through Saudi Arabia to the Indian Ocean. The plan has reportedly been rejected by the Kuwaiti Cabinet, however, as too expensive and likely to stir up bickering between the Kuwaiti and Saudi ruling families. Besides, why should they spend the money when the Reagan Administration is willing to brave the gulf waterways to protect Kuwaiti tankers?

—By Murray Gert/Washington



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Cursed Are the Peacemakers

The battle over two accords spreads confusion and anger

The communiqué from Havana last week sounded downright chummy. "Fidel expressed to Daniel the readiness of Cuba to cooperate with Nicaragua as far as possible to make the policy a success," read the statement. Fidel, of course, was the bearded one. And Daniel was Nicaraguan President Daniel Ortega Saavedra. The topic of conversation: a peace plan for Central America that Ortega had signed in Guatemala City the previous week.

The get-together with Castro may have revived doubts about Ortega's status as an independent decision maker, but it was far friendlier than a session in Washington on the same subject. When Ronald Reagan met with more than a dozen conservative supporters to discuss his tentative support of the Guatemala plan, as well as his sponsorship of a rival accord hammered out with Democratic House Speaker Jim Wright, his guests angrily denounced both pacts. They argued that either one of them would destroy the U.S.-backed *contras* who are fighting to overthrow Ortega's Sandinista government. Said Howard Phillips, chairman of the Conservative Caucus, a 700,000-member lobbying group: "I think it's the biggest mistake that Reagan has made during his presidency."



Ortega: going along for now

The heated reaction from Reagan's longtime supporters sowed further discord within an Administration that had not made up its mind about the wisdom of either agreement. As Reagan waffled last week, first embracing the Guatemala plan, then amending his own accord, the White House found itself attacked on all sides. On Friday, Central American Special Envoy Philip Habib resigned, reportedly because he was not consulted on the Reagan-Wright accord and was doubt-

ful that the Guatemala plan would work.

At the heart of the debate are the timetables for bringing about peace. The Guatemala plan, signed by the Presidents of Nicaragua, Costa Rica, El Salvador, Guatemala and Honduras, calls for cease-fires in the region's civil wars, an end to outside aid for local insurgents, democratic reforms and free elections. The agreement gives the Central American governments 90 days from the date of its signing—until Nov. 7—to work out the details. That is five weeks after the U.S.'s current \$100 million aid package for the *contras* expires on Sept. 30. The Reagan-Wright proposal, on the other hand, calls for an immediate cease-fire in the *contra* war, followed by talks leading to new elections in Nicaragua. Under this scenario, if the Sandinistas did not institute democratic reforms by Sept. 30, the Administration would seek new funds for the Nicaraguan rebels.

The White House accord, hastily put together in 15 days, was announced with great fanfare two weeks ago. Three days later the Central American leaders signed their deal, first presented by Costa Rican President Oscar Arias Sánchez in February. Speaker Wright abruptly shifted ground, saying the homegrown Central American accord must prevail and that the White House proposal would be "merely supportive." Though Reagan initially gave his blessing to the Guatemala plan as well, he did not anticipate the fire storm of reaction from his conservative supporters, who were already appalled

Meanwhile, in El Salvador...

Duarte hopes the proposal will repair his tattered image

José Napoleón Duarte has enjoyed his share of lucky breaks over the years, but even he must appreciate the propitious timing of the latest Central American peace proposal. Often cited as the showcase of U.S. efforts to bolster democracy in Central America, El Salvador is in deepening trouble. The civil war that has claimed 70,000 lives in eight years shows no sign of winding down. A much heralded campaign to revive the economy has foundered. Even the President's most striking accomplishment, the sharp reduction in killings by right-wing Salvadoran death squads, has been compromised by a recent spate of murders of peasants who were linked to the guerrillas. As a result, Salvadorans are displaying growing impatience with the U.S.-supported Duarte, 61.

Duarte's best hope now is that the Guatemala peace initiative will force the Salvadoran rebels to lay down their arms. Under the accord, outside aid to all guerrilla groups must cease, which means that clandestine

arms shipments to the guerrillas from Cuba and Nicaragua would stop. Says a State Department official: "It's a definite plus for the Salvadoran government."

Perhaps the Farabundo Martí National Liberation Front showed little in-

terest in the peace plan when it was first discussed in February, but the rebels were forced to pay closer attention when Nicaraguan President Daniel Ortega joined Duarte in affixing his signature to the accord two weeks ago. Last week Duarte proposed that the rebels sit down with his government on Sept. 15 to discuss a cease-fire and amnesty. The rebels agreed to talk but not under the aegis of the Guatemala Plan.



Facing troubles: a cease-fire is his best hope at the moment

If the accord is ultimately implemented without rebel participation, U.S. officials warn that the F.M.I.N. will be able to threaten Duarte's government even if outside military aid is cut off. Operating in small bands and able to retreat to rural hideaways, the rebels could continue to inflict damage in the countryside. Indeed, on the very day that Duarte signed the accord, guerrillas attacked a Salvadoran town called El Triunfo and burned down three public buildings, including the mayor's office. Only days earlier, the insurgents blew up a bridge in Usulután province, the ninth major span hit in the past seven weeks.

Shortly after his election in 1984, Duarte strode into the small town of La Palma for a dramatic, highly publicized meeting

that the President had countenanced discussions with the Sandinistas in his original scheme. Even Vice President George Bush, eager to boost his conservative credentials in the race for the Republican presidential nomination, retreated. Said Bush: "We are not going to leave the *contras* twisting in the wind, wondering whether they are going to be done in by a peace plan."

If the U.S. votes new aid to the *contras*, Nicaraguan Vice President Sergio Ramírez Mercado said, then Managua will not institute reforms and the Guatemala plan will collapse. Nonetheless, there is genuine hope among the Central American leaders that their accord will succeed. Under the plan, Nicaragua's *contras* and leftist rebel groups in El Salvador and Guatemala would be deprived of new arms, and the *contras* would be ejected from their bases in Honduras. Not surprisingly, the *contras* remain deeply suspicious. "There's just no way we're going to put down our arms and surrender," says *Contra* Leader Pedro Joaquín Chamorro Jr. "We will not disarm until the Sandinistas are on an irreversible path to democratization."

Arias is already pushing Ortega in that direction. He publicly called on the Nicaraguan leader to lift the five-year-old state of emergency and restore civil liber-



Contras on patrol in Nicaragua: a fair deal or a sellout?

ties by the Nov. 7 deadline. But Ortega made no promises, saying the reopening of the opposition newspaper *La Prensa*, which was closed by the government more than a year ago, and the Roman Catholic radio station Radio Católica, is "an option of ours."

Ortega seems eager, however, to give at least the appearance of cooperation. He quickly formed the Nicaraguan version of the "national reconciliation commission" that each country must set up to monitor

compliance with the pact. He invited opposition political groups and Miguel Cardinal Obando y Bravo, the archbishop of Managua, to nominate candidates for the four-person panel. As a friendly gesture to Arias, Nicaragua dropped its lawsuit in the World Court charging Costa Rica with violating international law by harboring *contras*.

Ortega's apparent willingness to put the peace process into motion stems in part from his country's deepening economic problems. "The Nicaraguan economy is a mess, and they realize it," said Arias. Managua may also have been influenced by the reported reluctance of the Soviet Union to continue subsidizing the country. Castro readily agreed to pull his 2,500 military advisers out of Nicaragua, but his price was high: the withdrawal of all U.S. troops from Honduras. The next sign of how

far Ortega is willing to go will be at a meeting of the five countries' foreign ministers, set for this week. But the most important date on Ronald Reagan's calendar appears to be Sept. 30. If the President is not satisfied by then that the Sandinistas are taking steps toward democracy, the battle over *contra* aid will be joined in Congress once again.

—By Michael S. Serrill
Reported by David Altkman/Washington and Laura López/Mexico

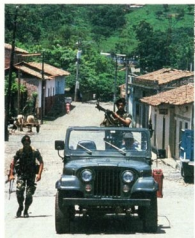
with guerrilla representatives. Subsequent attempts at talks fizzled, however. For a while, it did not seem to matter. Strengthened by dozens of U.S.-supplied helicopter gunships, the 52,000-strong Salvadoran army seemed to be slowly gaining the initiative. F.M.L.N. forces dwindled from an estimated 11,000 to around 7,000, and they alienated supporters by torching buses and planting land mines, maiming innocent civilians.

But in the past year the Duarte government has suffered a number of setbacks. With an average per capita income of \$535, El Salvador faces as much as 50% unemployment, up to 40% inflation and a flight of capital as wary businessmen invest overseas. The economy has declined in the past year, as the price of coffee, El Salvador's principal commercial crop, plummeted on world markets by about 50%. Then, last October, an earthquake devastated San Salvador, killing some 1,500 people and causing about \$1 billion in damages. Though hundreds of millions of dollars in aid poured in, including \$250 million from the U.S., the Duarte government was blamed for squandering the funds. Today large swatches of San Salvador are still in rubble.

Duarte's difficulties have been compounded by accusations of widespread government corruption. Recently it was discovered that a state agency that distributed low-cost food to the poor had

held back supplies of powdered milk in order to raise prices. Selected middlemen, most of them supporters of Duarte's Christian Democratic Party, allegedly reaped enormous profits when the milk was finally delivered to customers.

Against this backdrop, the guerrillas have been able to regain their momentum. Emphasizing mobility and surprise, they have damaged the government's war effort by hitting at well-guarded



Soldiers hunt for the leftist rebels

military targets. The most spectacular example occurred last March, when they attacked El Paraíso army garrison, less than 40 miles from the capital, killing 69 Salvadoran soldiers and a U.S. military adviser.

A Reagan Administration official describes Duarte as a "very bitter disappointment." Those are strong words from Washington, which has sent some \$2.5 billion in military and economic aid to El Salvador since 1980 and is still giving the country \$1.5 million a day. The funds have kept the country afloat, but they have also tarred Duarte with accusations of being a U.S. pawn. Last month some 7,000 students marched in the capital chanting "Yanquis, go to hell!" and burned an effigy of Duarte wearing an Uncle Sam hat.

What Duarte needs to repair his country—and his reputation—is the kind of lasting peace promised by the Guatemala Plan. Will the rebels cooperate? Guillermo Ungo, head of the Democratic Revolutionary Front, the F.M.L.N.'s political arm, last week said the plan was a "positive step for the region." But that does not mean the rebels will be willing to give up the battlefield for the negotiating table. One thing is clear: José Napoleón Duarte has little to lose by pursuing talks with the guerrillas.

—By Jill Solomove
Reported by Ricardo Chavira/Washington and John Moody/San Salvador

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World

SOUTH KOREA

Out on the Street

More strikes for more pay

From smoggy Seoul to the bustling port of Pusan, usually industrious South Koreans last week simply refused to do any more work. Strikers shut down the country's showcase automobile industry as well as textile factories and chemical plants. Taxi drivers and bus operators in Seoul and Kwangju declined to accept passengers. In all, some 200,000 workers were idled by job actions. A striker in Pusan expressed the pent-up frustrations of many: "It is our turn to receive humane treatment. We have the right to a decent living."

The strikers were doubtless encouraged by the success of the militant students, who, after months of periodic rioting, finally won major political concessions from the government. South Korea's 10 million workers, on the other hand, have gained comparatively little from their country's vaunted 20-year-old economic miracle. While industrialists have reaped huge profits, little of the wealth has trickled down to those manning the factories. South Koreans last year put in the longest workweek in the industrialized world—54.4 hours. Yet they earned an average of only \$1.55 an hour in manufacturing jobs, compared with \$7 for their Japanese counterparts and \$13 for those in the U.S.

Under the government of Chun Doo Hwan, striking for better pay has been almost unheard of. Walkouts were virtually banned, and unions were strictly under the thumb of Seoul. But since June, when Chun capitulated to popular demands for democratic reform, both the government and the opposition have expressed sympathy for the workers' plight. "It is true that the government has sided with management in the past out of the need for growth and stability," said Roh Tae Woo, who heads the ruling Democratic Justice Party, "but it must now side with labor to compensate for sacrifices made for the nation's economic development."

Independent labor organizers took advantage of the new atmosphere to spark a series of work stoppages that reached new peaks last week. Assembly lines ground to a halt at the electronics giants, Samsung and Lucky-Goldstar. Earlier, Hyundai Motor Co., producer of the popular subcompact Excel, lost \$24 million after it failed to ship 6,000 cars. Though the government is leaving the search for solutions to labor and management, it began to move against the violence prone, arresting two workers for destroying an auto-parts factory and three fishermen for wrecking equipment in a Pusan market. Warned Labor Minister Lee Hun Ki: "If the current disputes are further aggravated to threaten the national economy and the security of our society, the government will take tough actions."



One mile under at Cartenville: the average black earns about one-fifth as much as a white

SOUTH AFRICA

Trouble from Belowground

Nearly 300,000 miners walk up from the job

South Africa's gold and coal mines are in the best of times harsh places where thousands of blacks live in crowded hostels far removed from their homes and families. The mines were closed to journalists last week as a long-threatened strike, the largest in South Africa's history, began. But the walkout was scarcely three days old before stories of trouble started to spread.

At the Blinkpan colliery, police arrested five miners in connection with the strangulation of a black worker who defied the strike call. At the Harmony mine, owners fired 74 miners who were said to have damaged the underground telephone system and harassed other workers. At an Anglo-American Corp. plant east of Johannesburg, police fired tear gas and rubber bullets to evict 300 protesters. Later in the week, police fired birdshot at strikers at an Optimum coal mine, injuring at least 27 miners.

About half the nation's \$50,000 black mineworkers walked off their jobs, and at least a third of the mines were seriously affected. The basic issue was money: a demand by the National Union of Mineworkers for an across-the-board 30% increase, compared with hikes of 15% to 23% granted by the Chamber of Mines, which represents the six largest employers. Until now, according to the union, the average black worker has made \$170 a month, while employers claimed the figure was \$274. Both sides agreed that the average black miner earns only about one-fifth as much as the average white miner.

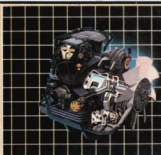
While the country fretted over the continuing strike, State President P.W. Botha announced that parliamentary elections scheduled for 1989 would be

postponed until 1992. The move was presumably aimed at giving Botha a chance to press ahead with what he regards as his reform program before having to face another challenge from far-right opponents.

At the same time, Botha unleashed a strong attack on the 61 white moderates who last month flew to Dakar, Senegal, for talks with leaders of the banned African National Congress. "Let Dakar be a lesson to all South Africans," thundered Botha in Parliament. "A leopard never changes its spots." In the future, he warned, the government will maintain tighter control over the issuance and renewal of passports and will set up a commission to look into the activities and funding of organizations like the Institute for a Democratic Alternative for South Africa, the anti-apartheid group that planned the trip to Dakar.

The government's hostility to the 75-year-old A.N.C. stems in part from that organization's attempts to undermine the apartheid system through a campaign of sporadic terrorism. Now there is increasing evidence that Pretoria is engaged in a campaign of retaliation against the A.N.C.'s leadership. Last month Cassius Make, a member of the A.N.C.'s national executive council who was visiting Swaziland, was gunned down by assassins. According to A.N.C. officials, Make was the eighth congress member or sympathizer to be killed in Swaziland this year; an additional six have been abducted to South Africa. In the most bizarre incident of all, two Zimbabweans and two Britons recently arrested in London were alleged to be agents planning to kidnap A.N.C. officials and smuggle them back to South Africa in packing crates.—By William E. Smith.

Reported by Bruce W. Nolan/Johannesburg



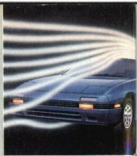
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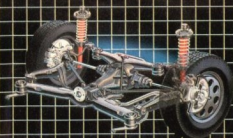
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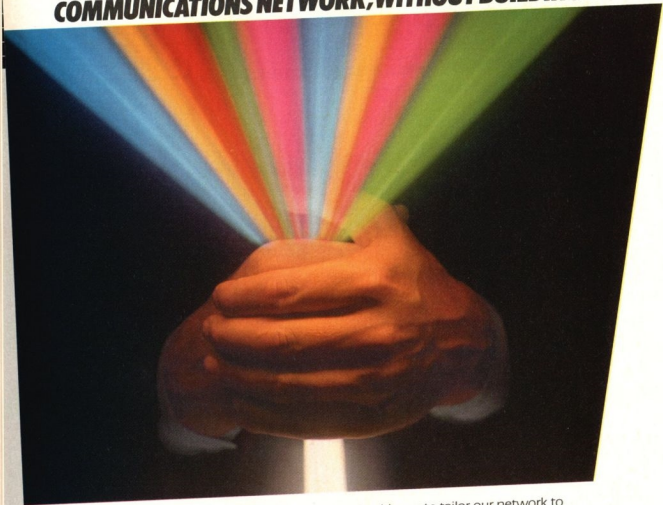
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People

The glittering décolletages often plunge precipitously, but the evening's entertainment is usually no more outré than **Frank Sinatra**. So some of the guests were amazed when Punk Priestess **Grace Jones** took the stage last week and sang a new-wave rendition of *La Vie en Rose* at the annual Red Cross Gala Ball in



Caroline: belle of the ball

Monaco. "Well, there were those who found it marvelous," said a smiling palace spokesman, "and those who found it... unexpected." Another surprise was the appearance of a radiant (and eight months pregnant) **Princess Caroline**. She joined her fellow hosts **Prince Rainier**, **Prince Albert** and **Princess Stephanie** in greeting the \$600-a-plate guests, who managed to raise \$600,000 for earthquake victims. Stephanie, who had not been seen around the principality for months, arrived at the festivities without her boyfriend of nine months, **Mario Oliver**, who was waiting for her just across the French border in Cannes. Oliver, twice married and a convicted sex offender, is said to be out of favor at the Pink Palace.

Meanwhile, as Monaco's royals danced the night away, Britain's **Prince Edward** was making waves across the Atlantic during a whirlwind 36-hour visit to New York City. The prince, who stopped overnight in Gotham on his way to the Caribbean, was making his first U.S. visit in order to help promote the Grand Knockout Tournament, a celebrity athletic competition that he had organized and that was broadcast last week by the USA cable network. Edward, 23, began his day with a private tour of the Frick Collection, pausing occasionally to ask questions. "He seemed very interested in our English silver," reports Frick Curator **Edgar Munhall**, who noted that the prince was "very outspoken in his dislike of most contemporary art." The royal itinerary also included stops at Lincoln Center, the Empire State Building and Shea Stadium, where Edward watched the Mets fall to the Montreal Expos, 2-1. "I'm pleased that the Commonwealth team won," the patriotic prince was overheard to say. Then he bought two small Mets uniforms to take home to his nephews.

At first glance the equation is laughably simple: **Bette Midler** + **Lily Tomlin** × 2 = *Big Business*. Which as it happens is the name of a new comedy the actresses are currently filming in Manhattan. Tomlin and Midler play two sets of identical twins, the wealthy Sheltons and the impoverished Ratliffs, who were mismatched as nonidentical pairs after birth and have lived unaware of one another's existence for the past 30 years. When the Ratliffs go to New York to fight the sale of a factory owned by the Sheltons, the siblings do a double switcheroo and the gags multiply exponentially. The filmmakers hope that the result will more than equal the sum of its parts. "They are the two crown jewels of comedians today," says Director **Jim Abrahams**



Fashion statement: Rice cutting a public profile for No Excuses jeans

(*Ruthless People*, *Airplane*). "They have incredible range and limitless talent." Fine, but how did Midler and Tomlin add up to each other? "I've known Bette for a long time," reports Lily. "But there has never been a chance for us to work together. All four of us are having a great time."

Ever since her idyll with **Gary Hart** erupted in scandal last spring, **Donna Rice** has steadfastly kept a low profile, limiting contact with the press to interviews for *LIFE* magazine and **Barbara Walters** on

ABC's 20/20 TV program. Now Rice is about to cut a more public figure. Freshly signed to a one-year modeling contract with New Retail Concepts, a New York-based marketing company, Rice was in Manhattan last week to shoot her first television and print ads for—yes, you read it right—No Excuses jeans. Fearing a herd of reporters, the company kept the site of the photo session—as well as Rice's fee—a closely guarded secret. But her employers are confident that they will get their money's worth from the ads, which will appear in September. "There may be a sizable risk, but we're not worried," said a company spokesman. "We chose Donna because she's a wonderful model and she generates a lot of interest in the media. You're really going to get a sense of her wit-tiness and intelligence." Well, maybe. But what comes to mind initially is Rice on voice-over, purring "Nothing comes between me and my Excuses."

—By Guy D. Garcia.
Reported by David E. Thigpen/New York



Ruthless siblings: Tomlin and Midler in *Big Business*

Economy & Business

A Bang-Bang Birthday

The bull market celebrates No. 5 with a new rampage

As parents know, a birthday party for a five-year-old is usually marked by wild noise, frantic rushing about and manic exuberance. Even so, there have been few such events as boisterous as the one on Wall Street last week. Growing at a pace that once would have seemed impossible, the bull market that was born five years ago last Thursday showed off its muscles by rampaging past one historic high in stock prices after another.

It was a week-long stampede of amazing force. The time required for the Dow Jones industrial average to get from one 100-point mark to the next highest used to be measured in years, then months, then, in early 1987, two or three weeks. But after vaulting past 2600 on Monday morning, the average briefly pushed past 2700 only three days later, on Thursday afternoon, and again on Friday before pulling back a bit to close at 2685.43. Nonetheless, at that level it posted a record gain of 93.43 for the week. The irrepressible market took in stride news that the trade deficit rose 12%, to a towering \$15.71 billion in July, and it was buoyed by a report that wholesale prices increased at an annual rate of only 2% last month. Stock-trading volume was enormous; Tuesday's New York Stock Exchange turnover of 278 million shares was the second biggest ever.

But perhaps the most impressive aspect of last week's commotion was that it was not all that unusual—not by current standards anyway. There have been many weeks of nearly equal, and a few of even greater, frenzy since the bull was born. What is truly stunning is the cumulative effect of all those bang-bang weeks. At Friday's close the Dow Jones industrials had zoomed up more than 1900 points over five years; prices of the 30 stocks in the average had multiplied roughly 3½ times from the Dow's low of 776.92, on Aug. 12, 1982.

In percentage terms, the 246% jump has been exceeded three times: by a 496% run-up in the eight years before the 1929 crash, a 371% recovery from 1933 to 1937 and a 355% climb between 1949 and 1961. But all those bull markets rose from far lower price levels; in dollar terms there has never been anything remotely resembling the current market binge. The Wilshire Index of the combined value of 5,000 stocks has climbed \$2.2 trillion in the past five years, equal to half the U.S.

gross national product of \$4.4 trillion.

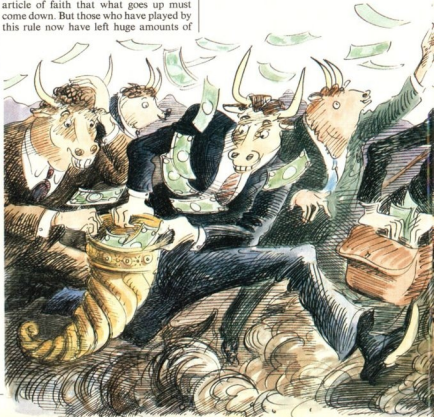
In another way, too, the current bull market is unlike any in the memory of the most seasoned stock traders: there has never been one that has whirled up so fast for so long with so little interruption. Nothing so far has been able to stop the bull. Not worries about gargantuan budget and trade deficits. Not a sharp drop in the value of the U.S. dollar between 1985 and mid-1987. Not even the stock-market equivalent of the law of gravity, specifying that the most rapid advances ought to be broken now and then by a substantial downward correction in prices.

"I have never seen a market like this," says Donald Stone, a member of the New York Stock Exchange since 1950 and one of its vice chairmen. "The market has spiked up without any meaningful correction; it won't even pause to catch its breath." Peter Cohen, a New York City real estate broker and large investor, muses, "Even in the sizzling '60s, it was an article of faith that what goes up must come down. But those who have played by this rule now have left huge amounts of

profit on the table. I have sold at a profit, then bought the same stock at a higher price, then sold it again at still a better price several times."

To many brokers and investors, it is all getting rather scary. How long, they ask, can the market keep going up and up in a straight line? After all, as one of the oldest of all Wall Street clichés puts it, "Trees don't grow to the sky." Peter Funniss, a managing director at the brokerage firm of Smith Barney, Harris Upham, chooses a different metaphor. Says he: "It's like a college frat party. The music is loud, and everybody is having a wild time. But sooner or later, the cops are coming to bust up the party."

Nervous professionals point out that dividend yields on many stocks are averaging only around 2%, while some types of bonds pay interest of 9% or more. Right now that disparity is being more than offset by the big price gains in stocks, but there is always a chance that many inves-



tors will be tempted to switch their money out of corporate shares and into interest-bearing securities.

Another fear is that stock prices have risen to a level that cannot be justified by companies' prospective profits. By one estimate, the stocks in the Dow Jones average are now selling at 20 times expected earnings this year. That is high, but still below the multiple of 22 in 1962, on the eve of a market crack.

A sure signal of a coming collapse is supposed to be frenzied buying of stock by small investors. The little guy, or so goes the theory, always comes into the market at the worst possible time. Small investors seem to think so too: they are pouring money into mutual funds, but the majority are not doing much direct buying. Says Alfred Johnson, chief economist of the Investment Company Institute: "Small investors don't want to go head to head with the wily institutions."

Consequently, even those troubled by vague worries that the market cannot go straight up forever generally think that the rise can and will be prolonged for a while yet. Furniss says that before the cops break up the party, "I would not be surprised if we reached 2800 [on the Dow] within a week and 3000 next month." Many others believe the surge could last another year or even longer. Some reasons:

Rising Corporate Profits. Growth in the gross national product is slowing a

bit from an already lackluster pace: it rose 2.9% last year, after adjustment for inflation, and is expected to increase about 2.5% in 1987. But many companies are at last getting the benefit of the painful plant closings, layoffs and other cost-cutting moves they have carried out over the past few years; they are increasing earnings sharply without any big rise in sales. Profits of all U.S. corporations other than banks jumped 22% in the second quarter and are likely to rack up further sizable gains for the rest of the year; if so, price-earnings ratios could look a bit less lofty. Says Mary Tomanek, a broker in the Northbrook, Ill., office of E.F. Hutton: "I think the market is going up because of good earnings, quite simply, and will continue to do so for that reason."

Foreign Buying. A startling \$16.8 billion poured into the U.S. stock market from overseas in just the first five months of this year, more than the total for the four full years from 1982 through 1985. The Japanese alone are expected to buy \$12 billion to \$15 billion worth of U.S. stock this year, four to five times their purchases in 1986. The big drop in the dollar made American stocks seem relatively cheap to West European and Japanese investors, but for years they held off from buying, fearing that further currency depreciation could wipe out any profits they made. Now the dollar has rebounded a bit from its lows, and that inhibition is gone. The Japanese have an additional incentive: on the Tokyo market many stocks are selling for 50 to 70 times earnings and are yielding 1% or less in divi-

dends. U.S. stocks look both better paying and less dangerous. The flood of foreign cash has its less attractive side: it could dry up as rapidly as it began, and even if it does not, many Americans resent the idea of foreigners buying up big chunks of U.S. industry.

Supply and Demand. As cash has funneled into the market from overseas and from such domestic sources as mutual and pension funds, the supply of stock available for public purchase has steadily dwindled. By one estimate, shares worth nearly \$29.2 billion were removed from public trading in the first half of this year. Essentially, this trend is a hangover from the merger mania that fed and was fed by the bull market in its early stages. Acquisitions have taken the stocks of such corporate giants as Gulf Oil and RCA off the trading floors. Leveraged buyouts by big investors taking once public companies private have further shrunk the supply of shares. Now major companies are buying up their own shares at a record pace to keep them out of the hands of potential raiders. The pressure of rising demand on a shrinking supply is having its classic free-market effect: higher prices.

Psychology. A surprising number of big investment institutions sat on the sidelines early this year, holding bonds or cash while waiting for the supposedly inevitable stock-market correction. Now they are scrambling to join the party while it lasts, lest their clients accuse managers of missing out on all the fun and profit. Thus, to some extent prices are going up in August because they went up in



Economy & Business

June and July. That trend could be drastically reversed at the first sign of a downturn, but for the present it is giving the market a powerful push.

Another prop under the surging market is the widespread expectation that the economy is likely to enjoy some further, though modest, expansion. The business advance that began in late 1982, shortly after the birth of the bull market, is reaching late middle age by historic standards. Since World War II there has been only one, during the 1960s, that lasted longer. Nonetheless, the consensus among Government, business and stock-market economists is a prediction of slowly growing production, rising corporate profits, a fairly small increase in inflation and relatively stable interest rates at least through most of 1988. One somewhat cynical reason often cited on Wall Street: the Government will pump enough money into the economy to keep production growing through a presidential-election year.

A final reason may be the bull market itself. The effect of stock prices on the broader economy is a subject of considerable dispute: the market has collapsed during business booms and skyrocketed during recessions. But some economists believe in what Allen Sinai, chief economist of Shearson Lehman Bros., calls a "positive feedback loop": a rising economy spurs stock prices, which in turn help to prompt further business growth.

Though most of the \$2 trillion rise in equity values has been paper profit, some of it has been cashed in by sellers of stock and has found its way into purchases of houses, cars, jewelry, and college educations for children. In addition, many households have borrowed against their

stock holdings. The more important effect probably is psychological: people who see the value of their investments rise feel richer and freer to spend. Though the stock market is often thought of as a kind of casino for the rich, an estimated 50 million Americans, or more than a fifth of the entire population, participate in the mar-



The New York Exchange during its record week

ket either through direct ownership of shares or through interests in mutual funds, pension funds and the like. Many investors who were not especially wealthy in 1982 have now joined the ranks of the rich; the long rally has created an estimated 2,500 to 5,000 new millionaires.

In theory, at least, a bull market makes it easier for businesses to raise money for expansion and modernization by selling new stock. That effect may be muffled because big companies have run

up worrisome debts either carrying out acquisitions or fighting off takeovers. But smaller firms are raising huge amounts of cash by selling their stock to the public for the first time. In just the first seven months of this year, once private companies raised \$17.4 billion through initial public offerings, or two-thirds more than in the same period of 1986.

Not many economists feel brave enough to try to put numbers on how much the bull market has helped the economy. Those who do so think the effect has been modest but appreciable. Says Barry Bosworth, of the Brookings Institution: "Studies indicate that about 4% of the increase in the value of the stock market over a two-year period is reflected in consumer spending." Given the spectacular increase of the past two years, that would be a tidy sum—enough to trouble Bosworth, who thinks the economy is more in need of savings. Sinai of Shearson Lehman calculates that the present bull market has added a half to a full percentage point to economic growth in each year since 1982. If so, last year's GNP growth of 2.9% would have been only 1.9% to 2.4% without the bull's assistance.

The market boom has had some less happy effects too. It is widely blamed for prompting mergers and takeovers that create paper profits but make no economic sense, and for tempting corporate managers to focus on moves that will pump up tomorrow's stock prices to the detriment of long-range planning. Yet on balance it has probably done a lot more good than harm. Just as the market can rise when business is down, production, jobs and profits can grow during a market retreat. Only it is a lot harder that way. —By George J. Church. Reported by Thomas McCarroll and Raji Samghabadi/New York, with other bureaus

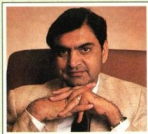
From Boom to Doom?

Every boom spawns its prophets of doom, and the current bull market is no exception. Right now the most visible naysayer is a previously little-known economics professor named Ravi Batra. His eye-catching book, *The Great Depression of 1990*, has jumped to No. 4 in its sixth week on the New York Times' nonfiction best-seller list. At \$17.95 a copy, it has been snapped up by some 175,000 buyers who are either curious or concerned—or both—about just how high the current boom can go before it turns to bust.

The Indian-born Batra, 44, who teaches at Southern Methodist University, begins his book by raising the specter of the Great Depression of the 1930s: "I believe a disaster of the same, if not greater, severity is already in the making. It will occur in 1990 and plague the world through at least 1996." He details parallels between the Roaring Twenties and the Soaring Eighties: feverish speculation, financial deregulation and a shaky banking system.

The main culprit, in Batra's view, is extreme concentration of wealth. As was the case in 1929, he says, 1% of American households control about 35% of the nation's assets, compared with as little as 21% in 1949. Because the lower and middle classes now have a smaller proportion of the assets, they rely heavily on borrowing and thus become overextended. That puts at heavy risk the banks and other institutions that have loaned them money. Meanwhile, as the rich grow richer, Batra says, they become enamored of speculative investments. As a result, goes Batra's theory, the financial house of cards will topple. The stock market will crash, the banking system will collapse, and the American economy will be forced to its knees.

Batra's thesis turns on his highly questionable contention that an inexorable cycle brings a depression every 60 years or so. To be sure, Batra is not alone in his gloomy outlook. Many other thinkers, including Economist John Kenneth Galbraith, have drawn comparisons between the perils of 1929 and today. Few of them would agree, however, with Batra's position that an uncontrollable calamity is inevitable.



Batra: the crash is coming

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Questions About Eastern

Employees charge that the airline is careless with maintenance

Ever since the airlines were deregulated nine years ago and fierce fare wars erupted, some passengers have been concerned that cost-conscious carriers might feel compelled to cut corners on the maintenance of their aircraft. Such fears have reached a new peak amid the recent burst of publicity about airline problems, including numerous unscheduled landings caused by mechanical failures. The Federal Aviation Administration and the airlines firmly deny that safety standards have generally deteriorated under deregulation. But an unflattering spotlight is now being focused on the maintenance practices of one major carrier: Eastern Air Lines. Eastern's mechanics say they are under enormous pressure from management to work fast on the ground so that planes can spend more time in the air earning money. Supporting that charge, the airline's pilots since June have written more than 1,000 letters of complaint to the FAA and hundreds to Congress about Eastern's allegedly sloppy maintenance.

Serious accusations have been made by John King, a twelve-year veteran mechanic at Eastern's Logan Airport maintenance base in Boston, who was fired three weeks ago after he went public with complaints he had made to the FAA. Last week King described three incidents that he said occurred in Boston in May:

► When a new engine was put on Eastern Airbus No. 208, the normal equipment-installation tests, which typically take several hours, were skipped to free the plane for service. Despite that, King says, the foreman signed a work sheet indicating that the engine had been checked out.

► Mechanics servicing another Airbus spotted a fuel leak in a pylon connected to an engine and recommended that it be repaired quickly because of the potential of fire. But a foreman, saying he had not seen the leak, overruled the employees, according to King, and the plane took off. Since the reported leak was not cited in the aircraft's maintenance record, mechanics at other airports were not alerted to double-check for the problem.

► At a departure gate, mechanics discovered that a loose bolt had punched a hole in a 727's fuel tank, causing a leak. King says the hole was plugged with an unauthorized, quick-hardening plastic sealer so that the plane could depart. A supervisor concealed the improper patch job by not recording it in the aircraft's logbook. The hole was not correctly repaired with a metal plate until later that week.

According to King, Eastern foremen have a good reason to defer maintenance: they can earn bonuses for getting planes out of the hangar fast. Under an Eastern incentive program started in January, the airline's employees set performance goals

for themselves, subject to management approval. In the case of the Boston maintenance station, the goal is to make sure that less than 4% of all flights miss their scheduled departure times because of delays resulting from repairs, preflight loading, cleaning or the like. King says one supervisor earned an extra \$800 through the incentive program in the first three months of the year. While some airlines offer performance incentives to employees like reservation clerks, Eastern seems to be the only one extending such a program to its mechanics.

Eastern insists that its incentive plan in no way compromises safety, which,

zo's Texas Air, which has also acquired Continental, People Express and Frontier to become the largest U.S. airline company. Lorenzo's management and marketing strategy has long been to cut costs and reduce fares. Eastern employees are now being pressed to accept deep wage reductions.

Since March, pilots have reportedly refused to fly numerous Eastern planes until repairs were made. Says Pilot J.B. Stokes: "We are not going to back off this issue. If management wants the safety campaign to stop, [then it should] fix the planes and stop intimidating the crews."

Eastern argues that its maintenance performance has been distorted by disgruntled employees who are trying to force the company into granting better pay and



Mechanics, says John King, inset, are rushing the work and skipping important checks

Pilots have refused to fly planes, but the carrier says safety is the "No. 1 priority."

says Vice President Robin Matell, "always has been and will continue to be Eastern's No. 1 priority." In its letter of dismissal to King last month, the airline said he had made "false statements," and attributed the charges to his "ill feelings toward the company" after he was fired a year ago for allegedly sleeping on the job. King denied then that he had done so, and was reinstated after arbitration.

This is not the first time that Eastern's maintenance has come into question. Last February the airline agreed to pay a \$9.5 million penalty for more than 78,000 alleged violations of federal regulations. Many of the citations involved record-keeping flaws and other technicalities. Now the FAA is conducting a new investigation of Eastern's maintenance operations at Logan. Explains Roger Myers, an FAA spokesman: "We have to make sure that cost cutting or other problems at the airline are not affecting safety."

Eastern employees say the airline's standards took a turn for the worse after it was taken over last year by Frank Loren-

easier working conditions. The pilots' refusal to fly planes allegedly in need of repairs, says Matell, amounts to a "labor slowdown disguised as concern for passenger safety."

Airline experts say the maintenance record of the industry as a whole has been good, though spotty at times. American was fined \$1.5 million by the FAA in 1985 for 26 maintenance violations. But carriers will always face a difficult trade-off between saving money and being extra thorough about maintenance. Alfred Kahn, the Cornell economist who pioneered deregulation when he was head of the Civil Aeronautics Board under President Carter, points out that the "airline business has never been very profitable" and admits that the weakest carriers "are bound to try to cut corners." That makes it imperative, says Kahn, for the FAA to be adequately funded and to be vigilant enough to ensure that deregulation does not lead to a decline in air safety.

—By Janice Castro,
Reported by Jerome Cramer/Washington and
Lawrence Markin/Boston

Buying Into the Big Time

A tycoon reaches the top

Reginald Lewis had every reason to feel successful and satisfied. A graduate of Harvard Law School, he had founded the first black legal firm on Wall Street and enjoyed a six-figure income. But four years ago, at age 40, Lewis became bored with a lawyer's life. He decided to jump onto a faster track: the takeover game.

Last week that career change paid off in a spectacular fashion. Lewis struck a single deal that will transform his investment firm, TLC Group, into the largest black-owned business in the U.S. Beating out such rival bidders as Citicorp, Pillsbury and Shearson Lehman Bros., Manhattan-based TLC (stands for "The Lewis Company") signed an agreement to make a \$985 million acquisition of Beatrice's International Food division, a profitable hodgepodge of 64 companies in 31 countries that manufacture everything from ice cream to sausages.

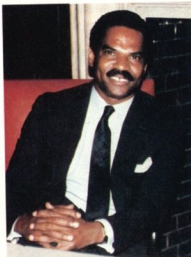
The transaction was a big-league leveraged buyout, the increasingly popular type of acquisition financed largely through borrowed funds. In this case, Lewis got the money from the high-rolling Drexel Burnham Lambert investment firm. When the takeover is completed, TLC is expected to rake in \$2 billion in annual revenues—far more than the \$173.5 million reported last year by Johnson Publishing (*Ebony* magazine), which topped *Black Enterprise* magazine's list of the largest black-owned companies. Says Lewis of his new stature: "I like to stretch myself. I like to face challenges."

Lewis first got Wall Street's attention in 1984, when TLC snapped up Manhattan's McCall Pattern Co. with only \$1 million in cash and \$24 million in borrowed funds. He immediately set out to revitalize the 117-year-old sewing-pattern company. "We emphasized quality, cost containment and cash flow, and we made money," says Lewis. Indeed, McCall's earnings more than doubled last year, to \$4.9 million. In July Lewis dazzled the financial community by selling McCall to the John Crowther Group, a British textilemaker. The buyer paid \$63 million and agreed to assume \$32 million in debts owed by McCall. For TLC, the deal meant a phenomenal 80-to-1 return on its initial \$1 million investment.

The TLC chairman feels uncomfortable with being portrayed as a pinstripe Jackie Robinson. Says Lewis: "It is wrong to focus on being the first black to do something." He and his three brothers and two sisters were raised in a middle-class household in Baltimore, where Lewis attended a Roman Catholic elementary school and then became a star quarterback at Dunbar High School. "He put a lot of time into his studies. He didn't goof off," says his mother, Carolyn Fugett, who divorced his father and married Jean Fugett, an elementary

school teacher, when Lewis was nine years old. Though he does not readily talk about it, Lewis must have been exposed to a strong sense of black pride early on. As a ten-year-old paper boy, Lewis delivered the *Afro-American* in surrounding neighborhoods. Later he attended Virginia State College, a black school.

Even as a paper boy, Lewis showed signs of managerial talent. Rather than give up his delivery route while he was away at summer camp, the youngster turned over the job to his mother. Says she: "He paid me a salary, but he made sure that he made a profit, believe me." These days Lewis still believes in delegating work. In the acquisition of McCall, he allowed his two top executives to take an ownership stake in the company as a way of motivating them. Then Lewis set goals for the managers, but refrained from looking over their shoulders. He is expect-



Lewis believes in hands-off management

He wants his people to "roll up their sleeves."

ed to stay out of the day-to-day operations of Beatrice International as well. "We rely on managers to understand their businesses," says Lewis. "I want the people who work for me to look at challenges, roll up their shirt sleeves, and get to it."

Lewis is no easier on himself. Rising before dawn in his Manhattan brownstone house, he puts in eleven-hour workdays. He has a reputation for being an intense and demanding perfectionist who hates to lose, even in a tennis match. Says TLC Counsel Charles Clarkson: "Some people may say that he is difficult, but he focuses on what has to be done."

Though Lewis may want to be thought of as just another tycoon, he is also an inspirational symbol—the first black businessman to gain full access to the giant pools of capital on Wall Street. Says Earl Graves, publisher of *Black Enterprise*: "The Reg Lewis deal will be recorded in the pages of black business history as a landmark, a sign of change."

—By Janice M. Horowitz

Reported by Wayne Svoboda/New York

Turning Off RKO's Licenses

A harsh ruling from the FCC

Among broadcasters, perhaps no other company has suffered so many assaults on its reputation as RKO General. Since the mid-1960s, rivals who have coveted RKO's broadcasting licenses have been accusing the chain of unethical conduct. That is a serious charge against any broadcaster, since the Federal Communications Commission can revoke the licenses of companies it considers to be of questionable character—even if they are not convicted of violating the law. Last week the FCC may finally have pulled RKO's plug. Edward Kuhlmann, an FCC administrative law judge, denied RKO's application to renew its license for KHJ-TV in Los Angeles, and stripped the company of its licenses for twelve radio stations and one other TV outlet. Declared Kuhlmann: "No case ever before decided by this commission presents dishonesty comparable to RKO's."

The decision is a dramatic rebuke and potential financial disaster for RKO's parent company, Akron-based GenCorp (formerly General Tire and Rubber). Unless the ruling is overturned on appeal, the value of RKO assets—now estimated to be worth \$750 million or more—could plummet by 90%. Reason: most of the value of a broadcasting station resides in its license. Nonetheless, GenCorp may be able to salvage some of its RKO investment. The company has agreed to sell its highly regarded KHJ-TV to the Walt Disney Co. for \$217 million and three radio stations to other buyers.

Allegations of RKO improprieties arose in 1965, when investors challenged KHJ-TV's license, claiming that RKO was not broadcasting in the public interest. Later, detectives hired by rivals discovered that General Tire was maintaining slush funds for such uses as improper overseas payments and questionable campaign contributions. RKO lost its license for Boston

RKO V GENERAL

TV station WNAC in 1980. Among the misdeeds cited by the FCC judge last week: the chain allegedly filed false and misleading financial statements between 1971 and 1975 and overcharged its advertisers on 55% of its ad invoices during a 17-month period in 1983 and 1984.

A. William Reynolds, GenCorp's chairman, called the judge's decision last week "unprecedented and unjustified." A spokesman for GenCorp claimed that the company fired the employees responsible for the misdeeds. The decision against GenCorp could conceivably be appealed all the way to the U.S. Supreme Court. ■

Business Notes



Publishing: Robert Guccione Jr. will go it alone



Contracts: this Zenith laptop won out



Savings institutions: Clements riled the FSLIC

TAXES

New Ways to Cause Grief

Add to death and taxes one more of life's certainties: the Internal Revenue Service will always find fresh ways to make the former seem almost preferable to calculating the latter. Last week the IRS unveiled new filing forms made necessary by last year's tax-reform law. The estimated 13 million people who have a second mortgage, a home-equity loan or a refinanced mortgage during 1987 will need to fill out a two-page Form 8598, which comes with instructions that are twice as long as the form (estimated fill-out time, according to the IRS: 84 minutes). Some 15 million taxpayers must file Form 5852, detailing tax-shelter losses (72 minutes of work, says the IRS). Finally, for 5 million Americans still eligible for Individual Retirement Account deductions, Form 8606 will show how much of this year's contributions are deductible (20 minutes).

CONTRACTS

Blow to the Bottom Line

Already hassled, harangued and humiliated because one of its subsidiaries was caught making illegal sales of high-tech equipment to the Soviet

Union, Japan's Toshiba last week suffered the first major blow to its bottom line. The Pentagon spurned Toshiba and awarded a \$104 million contract for 90,000 laptop computers to rival bidder Zenith Electronics. The Glenview, Ill., company, which is already a large Government supplier, might have won the contract anyway, but Toshiba's new notoriety nullified whatever chance the Japanese company had.

SAVINGS INSTITUTIONS

Callin' 'Em Like He Sees 'Em

It takes less than usual to spark testiness in Texas these days, especially on the subject of the state's beleaguered savings and loan industry. Last week Governor Bill Clements got into a shooting match when he described the Government's system for regulating thrift institutions as an "absolute fraud." Concerned that U.S. funds are insufficient to protect deposits at Texas' 49 insolvent thrifts, Clements contended that the Federal Savings and Loan Insurance Corporation might be able to reimburse depositors in failed institutions to the tune of only 30¢ on the dollar, along with a Government IOU for the rest. The Governor's remark drew a sharp rebuke from Washington, where thrift regulators rushed to reassure depositors that their money

would always be insured for the full \$100,000 guaranteed by the FSLIC. "I can't state it emphatically enough, that the FSLIC does not, has not, nor will it ever pay anything less," said M. Danny Wall, who heads the thrift regulatory system.

At the same time, federal banking officials are reading a rescue mission for an ailing Texas bank, Houston-based First City Bancorporation (assets: \$12.2 billion), which has lost more than \$500 million in the past year and a half. The Government is expected to commit as much as \$1 billion to guarantee the bank's loans as part of a plan in which a group of outside investors would take over the troubled institution.

MERGERS

Hooking Up the High Voltage

Ordinarily it takes decades to build an industrial behemoth on the scale of General Electric, West Germany's Siemens or Japan's Hitachi, but last week a world-class electrical-engineering giant was born practically overnight. In a surprise strategic move, two smaller European competitors—Switzerland's Brown, Boveri and Sweden's ASEA—announced a plan to merge their main operating divisions into a joint venture that would boast annual sales of more than \$15 billion and employ

some 160,000 workers. The new ASEA Brown Boveri should be a potent competitor in the global market for heavy electrical products, among them generating plants, high-speed trains and broadcasting equipment.

PUBLISHING

Family Feud At Penthouse

Many entrepreneurs suffer from shaky financing, but few are cut off by their own fathers. That is the predicament of Robert Guccione Jr., 31, who is editor and publisher of *Spin*, a pop music magazine. *Penthouse* Publisher Robert Guccione Sr., 56, has decided to stop providing money to keep *Spin* spinning.

The younger Guccione started *Spin* two years ago with a \$500,000 loan from his father, but maintained editorial independence and was the sole owner of the *Spin* trademark. Off to a promising start, *Spin* has built a circulation of 150,000 and become a respectable challenger to its archrival *Rolling Stone* (circ. 400,000). But the elder Guccione, whose company has taken about \$3 million in losses on *Spin*, wanted to assume authority over the magazine by making it part of the *Penthouse* business. His son refused to give up control and now hopes to keep *Spin* alive with backing from outside sources.

Sport

Heavy Harps and Pan Am Heroes

The western hemisphere rehearses for the next Olympics

Counting the woeful Colts, Indianapolis seems to have grabbed up most of the amateur athletics in the country and, for the past two weeks, has gone international as the tenth host of the quadrennial Pan American Games. Sort of a hemispheric Olympics, though with moderate attendance and meager television ratings, the Pan Am Games provide a warm-up for both pole vaulters and political commentators, as well as an opportunity to avoid the crowds and defect early. So far, ten Dominicans have absconded to New York City.

A dead shot from the Chilean shooting team (and intelligence community) has been denied a visa for being too deadly, and the elegant Cuban baseball players have had to duck leaflets, airplane streamers and a brigade of fat bench jockeys in BAY OF PIGS T shirts. Worse than that, Cuba's team lost to the Americans, 6-4. By the gold-medal count, Cuba (51) and the U.S. (104) are already assured of second and first place, though the outcome of last week's most poignant ideological clash was ambiguous.

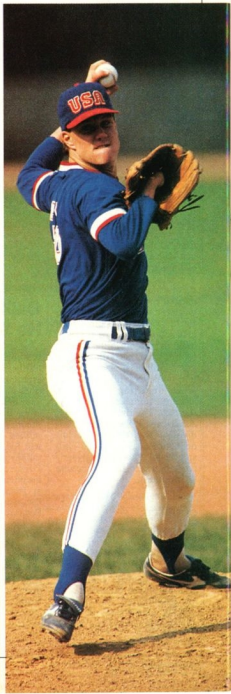
In a lovely incongruity, weight lifters took over the symphony hall, and to a harpist's rendition of *The Harmonious Blacksmith*, Cuban-born Roberto ("Tony") Urrutia tried his hand as an American. The three-time world champion, who defected seven years ago on the end of a bedsheet in Mexico City, finished third in the middleweight class to two former countrymen. Fidel Castro sent them his congratulations: "You taught an exemplary lesson to the traitor." Urrutia declared he was glad to be free, "like a bird," but the medal ceremony was bittersweet. "When I hear the national anthem," he said wistfully, "of course I feel like a Cu-

ban." By the time the last weight was lowered, that anthem had lifted the hall 25 times.

Four years ago in Venezuela, just the rumor of revolutionary new steroid tests sent U.S. musclemen stampeding back to the airport. But, as expressed by Ohio Hammer Thrower Jud Logan, the mood has calmed. "I like to be tested," he said, after a Pan Am record throw of 253 ft. 5 in. "I like things fair." From the tiny Utah archer Denise Parker, 13, who won a gold medal, to the statuesque Costa Rican swimmer Silvia Poll, 16, teenage girls were the fairest of them all. The daughter of a German businessman who made his

way to Costa Rica through Nicaragua, Poll is the biggest (6 ft. 3 in.), blondest and best freestyler in all of Central America. She won a fistful of her country's inaugural medals, including three golds, and wasn't finished yet.

Suriname won its first gold medal ever at the pool. Anthony Nesty's record swim in the 100-meter butterfly brought out a bright national banner with the wonderful slogan A DIRT WAGON CARRIES DIRT, BUT IT DOES NOT CARRY SHAME. There



were old names too. Saving her heptathlon for the coming world championships in Rome, the regal Jackie Joyner-Kersey focused on the long jump and equaled East German Heike Drechsler's 24-ft. 5½-in. world mark. With Carl Lewis standing by for his own turn at the long jump and Greg Louganis still perched on his diving pedestal, thoughts of 1984 were unavoidable.

Before the Los Angeles Olympics, Lewis had expressly set out to become a U.S. celebrity on the order of Rock Star Michael Jackson, and in an ironic way he made it. While he won four gold medals, Lewis won few hearts, and the 29-ft. 2½-in. long jump of Bob Beamon has stayed beyond him. "To me, winning and losing was never a big deal," he says now. "I enjoy competing. I enjoy training. I've had a lot of good memories in sport. If nothing more was to happen, I don't think I could complain."

Lewis, 26, is a singer of sorts, Louganis, 27, a dancer debuting in Indianapolis in October. Forgetting their parts in

the epic beach movie *Dirty Laundry*, both aspire to be actors. "When the bus pulled up to the village the other day," Louganis said, "and I heard someone mention, 'Five to a room, ten to a bathroom,' I thought: 'Why am I still doing this?'" But the answer came to him even before he became the first three-time Pan Am champion of the three-meter springboard. "I still have goals, tremendous goals." At the diving nationals in April, Louganis tasted second place for the first time in a while. "But second place isn't losing," he said. "If I learn something from a competition, I can be second to last and still come out a winner."

Though the hosts were doing too much of the winning, sweet sentiments of this kind abounded. One-Woman Basketball Team Hortencia Marcari of Brazil was an object of general delight, and, venturing into the stands once to protect their flag, the Cuban boxers brought an awesome presence to the final week. It seemed everyone's Pan Am hero though, Anglo and Latin, was a lefthanded baseball pitcher born with one finger on his right hand. The University of Michigan's Jim Abbott, 19, carried the flag and led the U.S. team in the opening ceremonies at the Indianapolis Motor Speedway, where roller skaters would later go streaming like the Unsers. "I've never run across a feeling on a baseball field quite like that," said Abbott, who then took the mound against Nicaragua. "When you're out there, and the national anthem's playing, and you're holding your hat to your heart, it feels great."

The first batter tried to bunt him, as the first batters often do. Abbott is a genius at transferring his glove back and forth, but seeing is hardly believing. He smartly fielded first the bunt and later the question about it. "The way I look at it, if a hitter is weak on the inside, that's where I'm going to pitch him. If they think I can't field, I don't blame them for trying to bunt." In a five-inning stint, Abbott allowed the Nicaraguans just three hits, and they were beaten 18-0. Those who had come to see a war game left the park in a peaceful mood.

—By Tom Callahan

Batty Balls

Unkindest cuts of all

Though Denny McLain has won a new drug trial and will shortly be out of stir, other notorious pitchers are unleashing a crime wave in baseball. A week apart, only the fourth and fifth major leaguers ever suspended for malfeasance on the mound have received ten-day sentences. At the same time, bats are routinely being confiscated and X-rayed for illegal implants. The heavy summer air over the nation's famous diamonds has grown thick with larceny.

First, Phil Niekro's younger brother Joe was nabbed in a Minnesota game with an emery board in his hip pocket. He was captured on film, during an umpires' search, casually tossing something with his right hand while jettisoning something else with his left. A patch of sandpaper, described by the umps as "contoured for a finger," was also recovered from the grass. Niekro was ejected.

The Niekro brothers, 90, have not pitched 50 professional seasons without developing a certain lack of innocence. "I wasn't marking the ball," Joe insisted, though a few blemished ones had arrived irregularly at the plate. "Like a lot of knuckle-ball pitchers, I occasionally file my nails after I warm up, and even between innings. Sometimes the emery board gets wet, so I have to go to the sandpaper." His brother believed him.

Philadelphia's Kevin Gross was obliged to stand mute after an umpire came out to the mound last week and found sandpaper glued into the pocket of his mitt. Unless Gross was building a dollhouse for his daughter between innings, he was caught. Sounding like a dazed mountain climber, the Phillies' pitcher kept mumbling. "It was just there." His embarrassment was so acute that Gross at first shushed the players' union (as opposed to the carpenters' union) when it came to his defense.

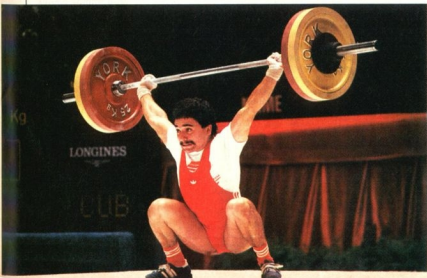
In this long-ball era, some people think pitchers should be permitted any device. Though the legend is that slippery pitches (spitballs, grease balls, cut balls) were banned in 1919 to facilitate more Babe Ruths, hygiene was at the heart of it. Like the players in those days, the balls were expected to remain in the game a little longer than they are today, and fielders were complaining about the sickly colored, gouged and slobbered-up baseballs.

If modern pitchers are dipping into the past, they are probably not alone. Commissioner Peter Ueberroth has been suspicious enough of corked lumber to order increased vigilance, and the bat of the Mets' Howard Johnson has already been X-rayed more than most frequent flyers. In their memoirs, the unsanitary pitcher Gaylord Perry and the unscrupulous slugger Norm Cash explained the rudiments of drooling and drilling. Well, almost every player today can read, and so many of them are handy with tools.

—T.C.



Teenage Archer Parker draws a bead; Costa Rican Swimmer Poll enjoys one of her three medals; Pitcher Abbott awes the Nicaraguans; Diving Champion Louganis cuts it perfectly; Bantamweight Pedro Negrin turns iron into one of Cuba's 25 weight-lifting golds



Environment



Ancient and awesome beauty: rock formations of Lehman Caves and towering Wheeler Peak highlight the natural splendors of Great Basin National Park

Stalagmites and Stunning Vistas

Great Basin is Nevada's majestic new national park

Rising abruptly from the eastern Nevada desert, snow-capped Wheeler Peak has long been a regional attraction. Visitors began arriving in 1885, after Rancher Absalom Lehman discovered vast limestone caves in the neighboring foothills. Swinging a sledgehammer to cut paths through forests of stalactites and stalagmites, Lehman then led candlelight tours through the caves for a dollar a head. After President Warren G. Harding declared the caves a national monument in 1922, Manager Clarence Rhodes rented them out for weddings, dances and initiation ceremonies for the Knights of Pythias, who frolicked in clouds of sulfurous smoke wearing costumes.

Last week, beneath the majestic 13,060-ft. mountain, Nevada Governor Richard Bryan and former Senator Paul Laxalt, along with other dignitaries, dedicated the surrounding 120 sq. mi. of wilderness as Great Basin National Park, the country's 49th. Named by Explorer John C. Frémont, the area known as the Great Basin stretches across northern Nevada, touching California, Oregon, Utah and Idaho. Once an inland sea, it was formed 20 million years ago by geologic plates thrusting sediment layers upward into mountain ranges. The relatively small national park contains nearly all the Great

Basin's ecosystems, from desert to arctic-alpine tundra, encompassing 3,000-year-old bristlecone pines, glacial lakes and one of the continent's southernmost permanent ice fields. As recently as 10,000 years ago, bowl-like cirques in the park's mountains were sculpted by glaciers, which left in their wake gray carpets of rock known as taluses.

Federal agencies have managed the area since 1932, but efforts to make the caves and neighboring mountains into a national park were frustrated by local ranching and mining interests. Great Ba-

sin Park, however, is good news for nearby White Pine County, a dusty patchwork of small towns, ranches and mines. Indeed, merchants from Ely (pop. 7,000) convinced Nevada's congressional delegation last summer that the park was desperately needed. For decades, Kennecott Copper Corp., which provided thousands of jobs at an open-pit mine near Ruth, had argued that the mountains might be mineral rich. By 1980 the mine was closed, undercut by cheap foreign copper. Unemployment skyrocketed. The new park, they hoped, would bring paying guests for hotels, restaurants and other services. Conservation suddenly began to look like good business.

At Laxalt's urging, the Reagan Administration, normally cool to such environmental overtures, went along. One reason: Laxalt helped negotiate "multiple use" privileges for cattle grazing and valid mining claims. Even so, it will take years for the new park to become fully operational, says Superintendent Al Hendricks. Hiking paths are barely marked, roads often too bumpy for cars, and campsites have no potable water. Rangers are still taking inventory of plant and animal life, charting soil types and reviewing mining claims. The public has taken a role in park planning through a series of town-hall meetings. Among the suggestions: erecting campsite fences to keep out cows and banning fat-tired all-terrain bicycles from trails.

—By James Willwerth/
Great Basin National Park

No Time for Termites

For years the pesticide containing chlordane and heptachlor has been the nation's No. 1 termite killer. Last week the Environmental Protection Agency announced that Illinois-based Velsicol Chemical Corp., the sole manufacturer of the chemical cousins, had agreed to stop production. The company disputed that exposure to the pesticide, which has been linked to increased risk of can-

cer, is a health hazard. But Velsicol said it would stop making the compound, which under the brand name Termide is used in about 1 million U.S. homes each year, until the EPA is satisfied that it can safely be applied.

Meanwhile, environmental groups protested the EPA move. Reason: distributors and pest-control companies can still sell or use the two-month supply of the pesticide they have in stock. Snapped Cynthia Wilson, director of the Washington-based Friends of the Earth: "It's a travesty."



Disputed pesticide

Medicine

New Clues to Detecting a Killer

Researchers zero in on the genetic causes of colon cancer

When Ronald Reagan's doctors announced two years ago that the President suffered from colon cancer, the world also learned that his brother Neil had received the same diagnosis. That apparently incidental detail did not surprise cancer researchers. They have long known that family members can share a genetic predisposition to the disease, but the exact mechanism was a mystery. Last week scientists in Britain and Israel reported in the journal *Nature* that they had discovered that there is a faulty gene that triggers a rare form of colon cancer and found its general location. The discovery, said Sir Walter Bodmer, director of research at London's Imperial Cancer Research Fund and a principal investigator, may eventually enable doctors to provide better diagnosis and treatment for all patients with colon cancer, which in the West is the second most deadly form of the disease, after lung cancer.

Bodmer's team studied 13 families with familial adenomatous polyposis (FAP), a rare hereditary condition affecting adolescents in which the large intestine is carpeted with hundreds of small growths called polyps, which frequently become cancerous. After reading about a boy who suffered from several disorders,

A healthy person inherits a full set of protective genes and has no trouble halting the invasion of colon cancer.



In a person who inherits an incomplete set, damage to the remaining good genes can lead to cancer.



Even among people with a full set, old age, diet and environmental factors can damage the genes.



TIME Diagrams by Joe Lertola

including FAP, that seemed linked to a missing portion of chromosome No. 5,* the researchers hypothesized that all FAP victims lack the same genetic material. They were right. Afflicted patients had the chromosome defects; healthy ones did not. The scientists further postulated that a person with FAP inherits from one parent a healthy gene that deters polyp growth and from the other a faulty gene. Over time even the healthy gene becomes inactive, allowing tumors to form.

Yet FAP accounts for less than 1% of the 170,000 new cases of colorectal cancer

*Pairs of human chromosomes are assigned a number based on their size and other characteristics.

diagnosed in the U.S. and Britain each year. That led Bodmer to ask, "Could the same gene be involved in the normal run of colon cancers?" The researchers analyzed tumors removed from 45 patients

with common colorectal cancer. Result: the section of chromosome 5 that contains the FAP gene was missing in more than 25% of the cases. The finding suggested that such cancers occur only after one protective gene is lost and the other is inactivated. Says Gastroenterologist Sidney Winawer, of the Memorial Sloan-Kettering Cancer Center in New York City: "This gives us a better idea of where to look for a genetic cause of colon cancer."

Should researchers pinpoint that genetic defect, the next step will be to develop a simple diagnostic test. Doctors now recommend that everyone over 50 periodically undergo

routine, if unpleasant, examinations with a proctosigmoidoscope, a hollow, lighted tube that is inserted in the colon to look for signs of cancer. A blood test that could alert people that they carried a greater risk of developing colorectal cancer might motivate them to seek frequent checkups.

"Obviously the hope must be that as we learn how the gene works, we can use that to find new ways of treatment," says Bodmer. Indeed, researchers speculate that some remedies may be fairly simple: a diet high in fiber and calcium, for example, may prevent or compensate for these genetic deficiencies. —By Christine Gorman.

Reported by Helen Gibson/London

Milestones

SEEKING CUSTODY. Mark Harmon, 35, actor, and his actress wife Pam Dawber, 34; of his nephew Sam Nelson, 12; in Los Angeles superior court. Sam is the youngest child of Harmon's sister Kristin and the late singer Rick Nelson, and lived with Harmon this summer while his mother underwent rehabilitation for prescription-drug dependence. Harmon contends that his sister remains unfit to care for her son.

DIED. Edgar Rosenberg, 62, manager and husband of Comedian Joan Rivers and a frequent target of her jokes; of a prescription-drug overdose two days before he was to re-enter a hospital for tests; in Philadelphia. Rosenberg, who had a series of health problems after a massive heart attack in 1984, left taped messages for his family.

DIED. L.W. (Iorwith Wilbur) Abel, 78, a founder of the United Steelworkers of America and its third president (1965-77), who built membership from 1 million to

1.4 million, a high since halved by the steel industry's decline; in Malvern, Ohio. Craggy, affable "Abe" Abel began organizing millworkers in Canton, Ohio, in 1936, while he was firing kilns twelve hours a day, seven days a week, for 16¢ an hour. He once led 42 wildcat strikes in a single year, but by the '70s he was forging higher benefits and wages for the steelworkers without strikes, accommodating the mutual needs of employee and employer.

DIED. Leon H. Keyserling, 79, liberal economist who helped design such landmark New Deal legislation as the Social Security Act (1935) and the National Labor Relations Act (1935), which strengthened union independence; in Washington. Instrumental in creating the President's Council of Economic Advisers, he served as its chairman from 1950 to 1953.

DIED. Clara Peller, 86, diminutive grandmother with the foghorn voice who

gained instant fame in a 1984 TV commercial for Wendy's hamburgers by barking, "Where's the beef?"—a line that found its way into everything from Johnny Carson's monologues to Walter Mondale's presidential campaign; in Chicago. The Russian-born Peller was a Chicago manicurist and beautician for 35 years before a local adman discovered her in 1970. She earned \$500,000 the year her beef blasts helped raise Wendy's sales 32%.

DIED. Patrick Aloisius O'Boyle, 91, first Roman Catholic Archbishop of Washington (1948-73), who was named its first Cardinal in 1967; in Washington. A longtime activist who campaigned for racial integration, liturgical reform and immigration legislation, he staunchly enforced his church's moral tenets, suspending some 40 priests in 1968 for asserting that Catholics could follow their own conscience on birth control.



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Show Business

COVER STORIES

Sensational Steve

Martin shines as the '80s' top comic actor



Good evening, ladies and gentlemen, and welcome to the 89th annual Academy Awards to honor the best films of 1917. I'm your host, Drew Barrymore, and I'm pleased to begin the evening by presenting the Irving G. Spielberg Award to a man who, some say, has long deserved an Oscar as best actor. Perhaps for his starring debut, in which he courageously demolished racial stereotypes by playing a poor black child [clip from *The Jerk*]. Or for the holy rage he summoned as he renounced Kathleen Turner with a ferocious "Into the mud, scum queen!" [clip from *The Man with Two Brains*]. And who can forget his transsexual transcendence as a man inhabited by a woman [All of Me], or his searing indictment of painful dentistry [Little Shop of Horrors], or the role that was commonly judged his best performance of 1987, as the eloquent romantic with a canary on his nose [Roxanne]? It may be that each of these turns deserved an Oscar—indeed, that the academy, in its myopic preference for drama over comedy, has ignored generations of superb actors, from Charlie Chaplin to Cary Grant. Tonight, perhaps, we could honor them all by paying tribute to the greatest comic actor in film history... Steve Martin!

Naaaah!

Comedy is the original no-respect art form. Primitive man knew that if he were to be hit over the head by his fiercest rival, then stumble around and yell "Aarrggh!", he would be acclaimed as a great tragedian. But if he were to do ten minutes of witty stand-up, then bash himself with a club, he would be accused of doing shtick. It is ever thus. At the movies, comedy may be king at the wickets, and most of Hollywood's nouveau novas—Eddie Murphy, Chevy Chase, Tom Hanks, Dan Aykroyd, Robin Williams, Bill Murray, Pee-wee Herman, Martin Short—may have won their early stardom cadging laughs on TV or in the burgeoning comedy-club scene (see following story). Yet the Motion Picture Academy continues to lay laurels on lesser mortals whose roles require that they cry over the phone, commit

suicide or speak with an English accent.

No emotions are easier to evoke than fear and pity. But comedy is hard. It takes Astaire timing and kamikaze cojones to stand on a stage or a sound stage and do this: wear a novelty-store arrow on your head; blow up balloons, twist them into animal shapes and announce the resulting sculpture as "venerable disease!"; tap-dance maniacally when seized with an attack of "Happy Feet"; then build a movie career running variations on a character you might call the suburban jerk. And mainly this: wait bravely for years until your public gets the comic point.

Steve Martin perfected this persona in the early '70s. Then he waited until they got it. And suddenly, in 1976, they went crazy over his silver hair, his B-movie-star face, his phosphorescent white suit—the whole look so neat, so sensible, so... Phil Donahue—and the sublimely silly uses to which he put them. Phrases like "Well, excuseuuuuse me!" and "Naaaah!" became schoolyard mantras, and his concerts were eliciting rock-idol squeals. "He was performing to audiences of up to 20,000," recalls David Letterman, the late-night commissar of '80s comedy. "I think that's a record for a stand-up comedian in peacetime." In 1978 Martin recorded a gag disco tune called *King Tut*; it sold more than a million copies. The next year he published a slim volume of short stories, *Cruel Shoes*; it topped the best-seller list. When he appeared as a *Saturday Night Live* guest host, the show's ratings would jump by a million homes. His first starring movie, *The Jerk*, was the third biggest hit of 1980.

"Starting out in movies," Martin says, "I felt very confident that I could act, because I was too dumb to know better." Well, to start out, he could act, and he did get even better. Yet the Hollywood establishment has been his toughest audience. With *All of Me* in 1984, he proved that he could locate the soul of a character while surrounding it with spectacular physical comedy. The New York Film Critics Cir-

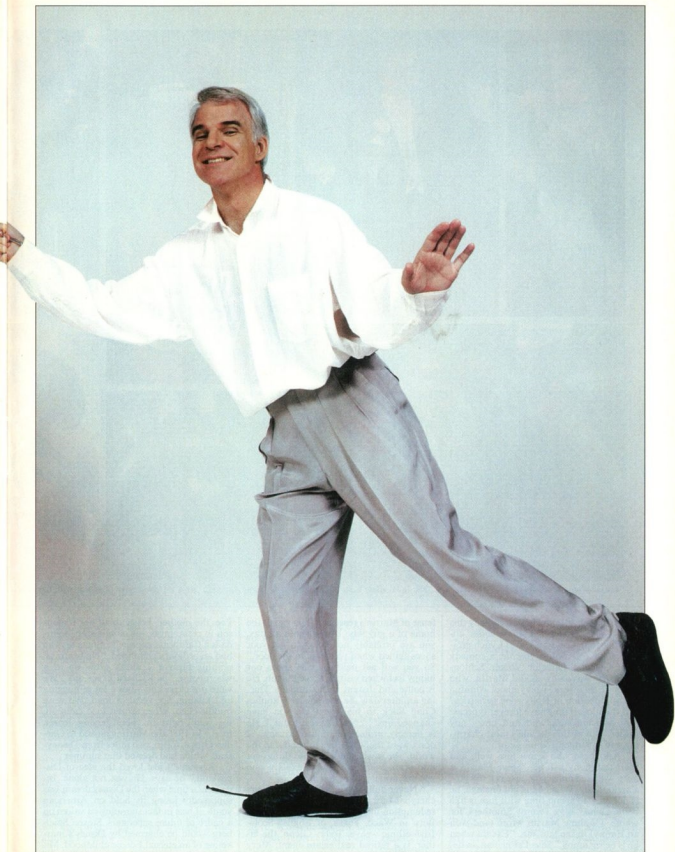


Blithely riding the current, from stand-up wit to romantic leading man

cled cited him as the year's best actor, but the academy did not even nominate him. His twisted turn as Orin Scrivello, D.D.S. (Drop Dead Sadist), in the 1986 *Little Shop of Horrors* should have won him a supporting-actor nod. After all, he was playing a deranged Elvis impersonator who loves his mama, tortures his girlfriend and dies of a nitrous oxide overdose. It was as if Martin were living out a line from the *Dead Men Don't Wear Plaid* trailer: "He'll do anything in the quest for the elusive Academy Award!" Still, nada.

O.K., Mr. and Mrs. Dorothy Chandler Pavilion, try ignoring *Roxanne*. It is a sleeper summer hit, Martin's biggest since *The Jerk*. It is based on an honorable property, Edmond Rostand's *Cyrano de Bergerac*. It dares to plump for the supremacy of two old-fashioned notions: romantic love as the meeting of true minds and the English language as a tool for wooing and wonder. The script challenges its star to be at once noble and fatuous, strong and swooning, utterly in control and desperately in love—all of which Martin handles as gracefully as if he'd written it himself (which he did). And in case you forgot, the last film fellow to play Cyrano, José Ferrer in 1950, got a best-actor award. "I hope he wins an Oscar," says Martin Short, Steve's co-star in last year's *Three Amigos!*, "because he has prepared a tremendously funny acceptance speech. If the academy members want to hear it, they know what to do."

Will they? In the *Los Angeles Times*, Industry Analyst Jack Matthews has predicted that Martin will be nominated for best screenplay, not best actor. But maybe it doesn't matter. *Roxanne* is not the peak of his pop artistry, it is one of many, with





Steve supreme, clockwise from top left: on *SNL*, '78; in *Pennies*; in an '82 TV special; in *Three Amigos*; in his '81 video *What I Believe*; with Turner in

more to come: a John Hughes comedy this fall, *Planes, Trains and Automobiles*, co-starring John Candy; a David Lynch project called *One Saliva Bubble*; a comedy with German Director Volker Schlöndorff. Anyway, why should Martin, who turns 42 this week, worry about winning the approbation of Hollywood geriatrics? It is their loss if they have forever typecast him as stand-up's wild and crazy guy rather than as this decade's most charming and resourceful comic actor.

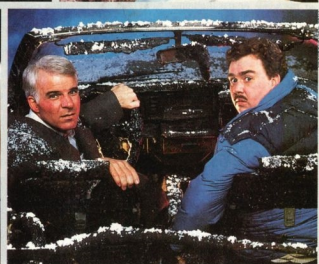
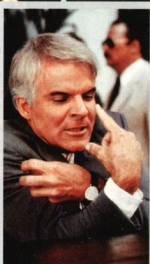
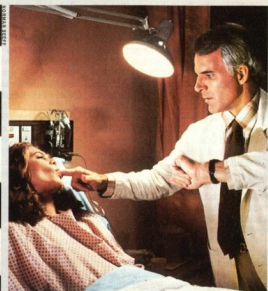
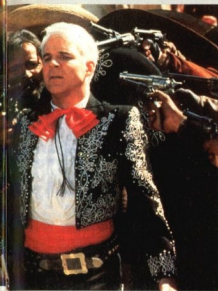
Ask those who know him well, and their testimony will be, "Steve Martin is not a wild and crazy guy." He is a shy guy, a serious guy. When he is not onstage, he is not on. "To spend time with him is like being alone," says Tommy Smothers, for whose TV show Martin wrote (and won an Emmy) in the late '60s. "Except when he is being funny." Says Letterman, in de-

fense of Martin's reserve: "If you go to the home of a guy who shines shoes all day, you are probably not going to get your shoes shined when you walk in the door." So you will get neither cruel shoes nor happy feet when visiting Steve Martin. He is polite and distant with strangers. During an interview, he compulsively applies Chap Stick to his lips ("Do you have chapped lips?" "No, I have a habit"). He is fiercely protective of his privacy. "I don't want the way I live to get out to the world," he says. "Once private things get into print, everybody knows exactly who you are, and it makes you dull."

Never dull, Steve. His early life is archetypal—for a stockbroker or a coupon-redemption mogul, if not for a comedian. Born in Waco, Texas, of English-Scotts-Irish ethnic weave. Today Glenn, the father, is a retired real estate agent; Mary

Lee, the mother, brags about her famous son in restaurants; his older sister Melinda is a California housewife. Steve says he had an ordinary childhood. "No beatings, nothing bizarre. I didn't grow up in a whorehouse," as Richard Pryor did. "We were not close-knit—not a lot of hugging and kissing, not vocal or loud. We were middle class. When frozen food came in, we were right in there buying frozen food." In 1955 the Martins moved to Garden Grove, Calif., two miles from Disneyland, which had opened that summer.

Kismet! "I just loved the idea of Disneyland," he says. He was not alone. Indeed, at a time when the Disney dream was supposedly losing its hold on American youth, it was in fact stamping its values on a cadre of future superstars. Steven Spielberg would be charmed by Disney's marketing of an eternal Edenic childhood; Mi-



Two Brains; with Candy in *Planes*; in *All of Me*; with Rick Moranis in *Little Shop*; on the '77 LP *Let's Get Small*; with Daryl Hannah in *Roxanne*

chael Jackson would find refuge in the sanitized wizardry of its theme parks. But Martin would learn, firsthand, other Disney lessons: the relentlessly cheerful huckstering, the belief that the business of America is show business. From ages ten to 18 he worked at Disneyland summers and after school. His first job was to stand at the entrance wearing a straw boater and a bow tie, selling guidebooks. The vendor netted 2¢ a book. "The norm was about 50 books a day," he says. "One day I sold 625. I think it was the record."

At 15 Steve was promoted to Merlin's Magic Shop, where he worked for three years. "I had loved magic tricks from the time I was six or seven," he recalls. "I bought books on magic. I did magic acts for my parents and their friends. I was aiming for show business from early days, and magic was the poor man's way of get-

ting in: you buy a trick for \$2, and you've got an act. So Merlin was my dream come true, because I got to perform magic for people. We sold rubber vomit, shrunken heads, finger choppers, nails through the head, skulls that glow in the dark. We'd make jokes with the customers and spray them with snake cans. We had thousands of gags we would pull, and I used to write them all down on 3-by-5 cards. I still have them. And I have incredibly detailed notes on magic shows I did at Kiwanis clubs when I was 15 or 16. Later I worked at the Bird Cage Theater in Knott's Berry Farm. I'd appear in a skit or do my magic act or a banjo thing. Four shows a day, five days a week. Basic training."

The banjo thing was a big thing for Steve. When he was 18, he heard an Earl Scruggs record and "went crazy." He would put a bluegrass record on the turn-

table, slow it to half speed and methodically pick out each note. At night he would practice in his '57 Chevy, so as not to disturb anyone. William McEuen, Martin's longtime pal and for many years his manager, attests that "Steve is an original and gifted five-string banjo player. He could have been great." It was while playing banjo in a folk club that he met the guitarist Mason Williams (*Classical Gas*), who hired him to write for *The Smothers Brothers Comedy Hour*. Later Martin quit the banjo "because I wasn't getting any better. It's like I reached the end of it." In 1980 he gave up stand-up for much the same reason. "I figured: I did it, I know I can do it, and when I was doing it, I did it as well as anyone."

While working at Knott's, Steve met a girl who changed his life, or at least his act. "Her name was Stormie Sherk. She

later became a Christian singer and wrote her autobiography. In it she says that her relationship with me was the only one she ever had with a man she didn't end up hating. At the time, I didn't have a clue about this. All I knew was she got me interested in college, made me read *The Razor's Edge*, things like that. Now I wanted to learn as much as I possibly could." He majored in philosophy at California State University, Long Beach (which Steven Spielberg would attend a few years later). On his 1978 *Wild and Crazy Guy* album, Martin would joke, "If you're studying geology, which is all facts, as soon as you get out of school you forget it all... but philosophy, you remember just enough to screw you up for the rest of your life." In the mid-'60s, though, he was dead serious: "I was romanticized by philosophy. I thought it was the highest thing you could study. At one point I wanted to teach it."

And then along came Ludwig Wittgenstein, the Austrian philosopher whose *Tractatus Logico-Philosophicus* redefined and reduced the scope of the discipline. Says Martin: "As I studied the history of philosophy, the quest for ultimate truth became less important to me, and by the time I got to Wittgenstein it seemed pointless. Then I realized that in the arts you don't have to discover meaning, you create it. There are no rules, no true and false, no right and wrong. Anyway, these were the musings of a 21-year-old kid." A 21-year-old kid who was ready to put his theories into his act by breaking the comedian's first rule: tell funny jokes and make the audience laugh. "I thought that if I didn't tell jokes—if the audience had

no place to laugh—they might find a place to laugh by creating their own tension. It was a rebel position in comedy."

In the Viet Nam years, there was not much to laugh at, and comedy was ripe for revolution. The first generation of kids raised on TV, which gobbled up comedy material and spat it out as pabulum, had reached their majority just as the evening news was topping their grisliest nightmare jokes. To be an angry young comic was, it seemed then, to engage psychotic adults on their own terms. The only answer was to drop out of the comic's traditional adversary relationship to power and, instead, parade an anarchic childishness. Their banner might have read HELL, NO, WE WON'T GROW UP. In Britain, *Monty Python's Flying Circus* tossed music-hall bawdiness into a Dada format, and at home *National Lampoon* updated sick humor with a stinging Wasp edge. They were vicious; they were silly; they couldn't care less. And now someone had to shatter the lulling cadences of stand-up too. Who better than the child of Disneyland and Wittgenstein?

Martin's scheme was absurdly simple. He would put ironic quotation marks around his nightclub act, as if cuing the audience to wonder, "Does this guy really think he's funny doing this tired stuff? Well, I don't think he's funny. In fact, he's so unfunny... he's funny!" But the act was largely the one he had honed for years in other venues. He developed Happy Feet in his living room. He learned juggling

from the court jester at Disneyland; Steve practiced at home with croquet balls and badly bruised his fingers. Or take the hat-with-the-arrow routine (please). "It was a thing we used to sell at Disneyland," Martin says. "It goes back to the theory, 'God, these gags are so dumb!' By the end of the act I was wearing the hat with the arrow, the balloon animals, the nose glasses and the bunny ears. I wanted to look as ridiculous as possible. It was like anticomediness." And a lunatic ad for Merlin's Magic Shop.

At first Martin took his act anywhere that would take him. He worked one San Francisco club where, to attract potential customers, he would perform at a window

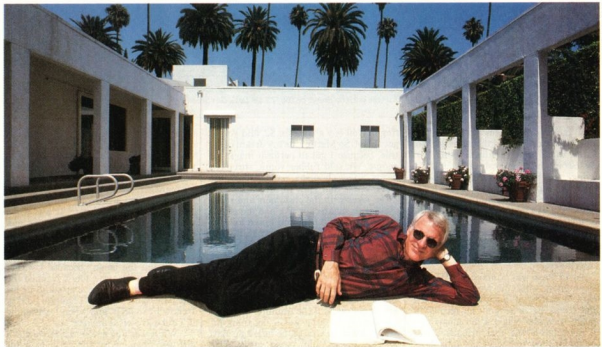
facing the street. "I had to start my act with nobody in the audience. When people would come in, they'd find a comedian and an empty room." At California's Russian River Resort, he recalls, "I stood on a stage outdoors and played to a parking lot of cars and campers, like at a drive-in. If people liked something, they'd honk." At Harrah's in Nevada he followed an elephant act, whose trainers did not always clean up after their star. Playing Vegas was the worst. "People

would have their faces in their food and never look up. Thirty minutes of material would last twelve minutes, because there'd be no laughs."

As his stand-up career blossomed, Martin found a plethora of laughs, partly because his act was defiantly antipolitical—indeed, *postpolitical*. "Steve was nev-



The magician at six



At his elegant, high-tech Beverly Hills home, just the place for a man who treasures privacy

Show Business

er interested in the polemics, the controversy, the scene in the streets," Mason Williams notes, "To this day he is not." Partly because Martin seemed reactionary, the firebrands at *Saturday Night Live* were reluctant to have him host the show. But with his first visit, in 1976, Martin reached a turning point, maybe a flash point. King Tut was born on *SNL*, and Martin teamed with Aykroyd to develop the Festrunk brothers, those wild, crazy, dim-witted guys. "Steve can play dim better than anyone," says Lorne Michaels, producer of *SNL* and *iThree Amigos!* "It all happens on his face. It is rare that people can play stupid without being insulting." In his career, of course, Martin was playing it smart. He was the biggest comedy star of the '70s.

But—funny thing—not of the '80s. *The Jerk* had pulled in \$43.3 million in rentals. His next five pictures—*Pennies from Heaven*, *Dead Men Don't Wear Plaid*, *The Man with Two Brains*, *The Lonely Guy* and *All of Me*—earned a cumulative \$38.2 million. "When you have the No. 1 record or become No. 1 at the box office," he says, "it's very easy to fall into the trap of seeing yourself as a number. My problem is that I don't get the same exhilaration from success as I get depression from failure." The reception of *Pennies from Heaven*, a musical drama about small people with oversized dreams, would have depressed anyone: it netted less than a tenth of *The Jerk's* take.

In his later movies, Martin leavened the jerk character with turns of endearment. He was a private eye in *Dead Men Don't Wear Plaid*, in which he co-starred with Humphrey Bogart, Alan Ladd and other famous dead people via interpolated clips from '40s film noir. He was a cuckolded surgeon in *The Man with Two Brains*, a parody of '50s mad-scientist movies and still Martin's bust-a-gut funniest picture. In *All of Me*, Martin played his best scenes with himself as a lawyer the right half of whose body is possessed by Tomlin, his dead client. In the lovely *Lonely Guy*, he gave another master class in informing light farce with passionate precision. And after shining in his *Little Shop* solo number, he cedes the spotlight to Bill Murray for a fabulous four minutes as a thrill-gooey masochist. "Steve's very generous as an actor," notes John Hughes. "Comedy can be a wicked playground, but he's totally secure, happy to step aside and let someone else shine."

Wondrous bits speckled all his movies. *The Jerk*: Steve, adopted son of a black sharecropper, discovers the forbidden delights of big-band Muzak. *The Man with Two Brains*: conniving black widow Kathleen Turner, lying in a hospital bed, suddenly sucks on Dr. Steve's finger, and when a nurse intrudes he removes the finger and studiously shakes it like a ther-

mometer. *The Lonely Guy*: Steve makes slow, sad, beautiful love to a pillow. *All of Me*: during a divorce hearing, the female half of Steve must pretend to be the male half and does so by spitting on the floor and scratching his/her crotch. *iThree Amigos!*: Steve, Chase and Short harmonize on a cowpoke lullaby as critters from a Disney zoo sway and sing along. But for Martin, great movie bits were not enough. He wanted more: to write and star in his own modern version of *Cyrano*.

"Conventional wisdom said it was a folly," he observes. "But I liked its emotion, its heart and its strong story line.

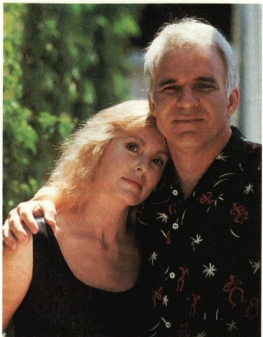
dedicated to his career." At the end of the decade Martin was linked with Bernadette Peters, his co-star in *The Jerk* and *Pennies from Heaven*. They broke up in 1981. Five years later he married Victoria Tennant, the English actress who starred in TV's *The Winds of War* and appeared in *All of Me*. The two women seem polar opposites: champagne and claret. Peters, the Medusa-coiffed dervish, was an effervescent partner; Tennant, 33, is a protective one, as smart and tart as a Wilde witicism. She shares Martin's aversion to opening emotional arteries in public. She says only that "he is interesting to live with, and he makes me laugh."

Their Beverly Hills home is just the place for a man whose comedy conceals, not reveals, and for a woman who appears comfortable in her role as a swan in the moat around the castle of her husband's privacy. It is a one-story L-shaped building with no front windows; Martin calls it the "house that says, 'Go away.'" Inside the mood is cool, elegant, high-tech. His home office boasts identical Hewlett-Packard Vectras on which he and Victoria work. The word processor is Martin's latest obsession; "It has probably replaced the banjo in his life," McEuen notes. The white walls hold works by Picasso, de Kooning, O'Keeffe, Hockney, Lichtenstein, Franz Kline, Jennifer Bartlett—the hoard of a thoughtful connoisseur. Two cats, a white Persian named Mary and a calico alley cat, Betty, patrol the doorless rooms like silent security guards in the museum of Martin art.

"Collecting art is my biggest hobby," he says. "I don't love paintings the way I love my wife. I mean, I love them in a different way. And I love them at least partly because this art is so different from what I do that it's an escape for me. Paintings exist in space; show business exists in time. I like to sit down, alone or with Victoria, and look at the paintings. Sometimes I feel so lucky to own them. It's like, good grief, these things are so beautiful—how did this happen?"

Imagine this painting: *Portrait of a Man on Top*. He sits alone in a white suit, in a white room, staring ahead, perhaps at another painting. The silhouette of a devoted woman shimmers to one side. At his feet are neat piles of scripts, art books, 3-by-5 cards from a pristine youth. His face shows no emotion or thought; all the wild wit and inquiring intellect are hidden inside. It is the face that says, "Go away." But some mad fan has tampered with the portrait. On the man's head he has drawn nose glasses, bunny ears and a hat with an arrow through it. The fan's graffiti is almost poignant: he wants this man to be... Steve Martin!

—By Richard Corliss.
Reported by Denise Worrell/Los Angeles



A portrait of contentment: Steve and Victoria

"He is interesting to live with, and he makes me laugh."

Then David Goodman, a screenwriter friend of mine, gave me a reason to update the story: "Cyrano gets the girl." I also thought about using some other feature than the nose, but nothing else had its sweetness. A big nose is a friendly handicap. It's not like the Elephant Man." In 1981, for a TV special, he had played John Merrick as a deliciously sleazy show-biz freak with a pachyderm's snout. *Roxanne's* C.D. Bales is the sweet side of disfigurement. Though the role skirts smugness—C.D. is the first Martin character to spend more time humiliating others than being humiliated by them—the performance locates frolic and pathos in a wry, romantic, slightly aloof soul.

It cannot be far from Martin's own. Even in the swinging '70s, he was no party animal. "He had girls who were crazy about him," recalls Chris Bearde, Steve's producer on the *Andy Williams* and *Sony and Cher* shows and, for two years, his roommate, "but he was almost totally

Show Business

Stand-Up Comedy On a Roll

A thriving club scene primes stars of the future



It was a typical Sunday-night amateur show at the Improvisation comedy club in Los Angeles. Five minutes onstage for a blond dwarf who joked about her "white evening gowns made by Fruit of the Loom." Another five minutes for a purported Indian mystic called Ramogosh, who closed his act with a Sinatra-style rendition of *I Did It Buddha's Way*. After a parade of two dozen such neophytes, the audience of 200 was ready for some professional comedy—and ecstatic when, at a quarter to 11, Jay Leno bounded onto the stage.

Leno, the lantern-jawed king of the stand-up circuit, had dropped by to try out some new material. Dressed in a silk shirt, faded jeans and Western boots, he barreled through 20 minutes of jokes, some of them written only that day and jotted down on note cards. On the Iran-*contra* hearings: "Senator Inouye . . . now there's a strict-looking guy. He's the principal of the United States of America." On Fawn Hall, Jessica Hahn and Donna Rice: "I love the way they describe these women as part-time models. I brush my teeth every morning—does that make me a part-time dentist?" On Princess Di: "With twelve bodyguards around her all the time, how could she possibly have an affair? 'Where are you going, honey?' 'Just out to christen a battleship, dear.'"

An unexpected 20 minutes from the hottest stand-up comedian in America—not bad for a Sunday-night club outing. But not that surprising either. Stand-up comics are suddenly everywhere. On TV they get nightly exposure on such talk shows as *Tonight* and *Late Night* with David Letterman, as well as on their own specials for cable networks like HBO and Showtime. Jackie Mason, a veteran stand-up performer from the '50s and '60s, made a smash comeback by turning his comedy routines into the current hit Broadway show *The World According to Me*. And Steve Martin is just one of a long and stellar list of former stand-up comics who have parlayed their punch lines into successful TV and movie careers.

Comedy stars of the future are being nurtured in a rapidly growing nationwide



Leno, king of the stand-up circuit, wows them at the Improvisation in Los Angeles

network of comedy clubs. A few big-city night spots, like New York's Improvisation (sister club of the Los Angeles version) and Los Angeles' Comedy Store, have for years served as a proving ground for young comics, helping launch the careers of Robin Williams, Joe Piscopo, David Letterman and dozens more. Now clubs with names like the Punch Line, Laff Stop and Funny Bone are spreading the yuks everywhere from Kalamazoo, Mich., to Ozark, Ala. At least 260 full-time comedy clubs—ranging from posh nighteries like New York's Caroline's to converted Chinese restaurants—are currently in operation, according to Barry Weintraub, publisher of a magazine called *Comedy U.S.A.*; two-thirds of them were launched within the past five years.

Stand-up comedy has been a staple of American entertainment since the heyday of the Borscht Belt. But the current boom is something new. TV has clearly played a major role, giving comedians national exposure and drawing on them for starring roles in sitcoms and *Saturday Night Live*. The intimacy between comic and audience, moreover, may be especially appealing in an age of high-tech movies and supersize rock concerts. Or it may simply be that the instant gratification of one-liners is perfectly suited to the short attention span of the TV-educated '80s audience. "If you go to a comedy play, a certain amount of time is lost setting up the plot or characters," notes Bert Haas, general manager of Zanies, a Chicago-based comedy-club chain. "In the stand-up comedy room, you get three or four

laughs in one minute. It's like a shot of adrenaline."

In contrast to a decade ago, when off-beat comics like Martin, Albert Brooks and Andy Kaufman were redefining the stand-up genre, the current crop is relatively traditional. Except for a few intriguing eccentrics, such as Bob Goldthwait and Emo Philips, most of today's comics present themselves as regular folks, directing barbs at familiar subjects, from TV commercials to dating. Their lineage can be traced directly to two influential comics of the 1960s and '70s, George Carlin and Robert Klein. Both rooted their material in the commonplace concerns and shared memories of the baby-boom generation (especially TV) and perfected a lithe, fast-paced style that combined one-liners with a free-flowing mélange of characters and scenes.

Like Carlin and Klein, Leno has a sharp eye for the idiocies of everyday life. In an agitated, high-pitched voice that could pierce the din of the loudest bar, he takes off after everything from convenience stores (where "\$20,000 worth of cameras protect \$20 worth of Twinkies") to slasher movies ("Woman opens the refrigerator, gets hit in the face with an ax. There's a common household accident, huh?"). Leno's P.G.-rated material is witty, accessible and firmly anchored in bedrock middle America. "I'm hopelessly American," he confesses. "If something doesn't come in a Styrofoam box with a lid on it, I'm lost."

A onetime auto mechanic who grew up in Andover, Mass., Leno began his

comedy career playing strip clubs in Boston. Among his earliest gigs were a bordello in Dorchester, Mass., and a club called the Mineshaft, where audience members wore miner's hats with flashlights on top ("Performing there was like being interrogated by the police," he recalls). Leno eventually graduated to the big time, and in recent years has played a grueling 300 road dates a year, besides making frequent guest appearances with Letterman.

Starting in September Leno will be a once-a-week substitute host for Johnny Carson and will star in a prime-time special for NBC. He just completed a movie called *Collision Course*, in which he co-stars with Pat Morita. Nonetheless, Leno (who lives in the Hollywood Hills with his wife Mavis and a collection of 15 motorcycles) insists that he has no plans to abandon touring. "Some people run from 6 to 8 every morning; I go onstage every night between 9 and 10," he says. "I'd never abandon it. This is my job."

Leno is the best at his job right now, but several other young comics are also making their mark on the club and concert circuit. Among the standouts:

► Jerry Seinfeld, 33, who grew up in the Long Island town of Massapequa ("an Indian name which means 'by the mall'"), might be Leno's suburban-preppie cousin. The two are similar in style and subject matter, although Seinfeld has a softer edge. Talking about movie refreshment stands, he complains about overpriced candy housed in jewelry cases ("I'd like to see something in a Milk Dud, please") and popcorn that comes in huge buckets ("I don't need that much roofing insulation"). His musings on childhood



Seinfeld: "Something in a Milk Dud, please"



Tenuta: feminist frustration, existential nuttiness

are especially evocative, whether conveying a five-year-old's restlessness at being dragged along to the bank by his mother or joy at finding an empty refrigerator carton. "When you're a kid," says Seinfeld, "that's the closest you're gonna come to havin' your own apartment."

► Steven Wright, 31, is one of the few young comics to depart from the Carlin-Klein-Leno style of observational humor. His offbeat, cerebral routines are a string of absurdist one-liners, delivered in a deadpan monotone. Examples: "I was once arrested for walking in someone else's sleep." "When I die, I'm going to leave my body to science fiction." "I was walking through a forest and a tree fell right in front of me, and I didn't hear it." Like many comedians with a shtick, Wright (who grew up near Leno in Massachusetts and also got his start in Boston clubs) seems in danger of boxing himself into a performing corner. But he has branched out into movies, with roles in *Desperately Seeking Susan* and the upcoming *Stars and Bars*.

► Judy Tenuta, 31, at least has no problem differentiating herself from a gaggle of rising young female comics. She arrives onstage toting an accordion and wearing a tatty Grecian-style gown—a fairy-tale princess dressed by Woolworth's. Her monologues alternate between airy twitting (she refers to herself as the "god-dess") and the "petite flower") and truck-stop sarcasm. To the guy who comes on to her in a punk-rock bar, she growls, "I was lookin' for someone a little closer to the top of the food chain." Feminist frustra-

tion is mixed with existential nuttiness: "You know what scares me? When you have to be nice to some paranoid schizophrenic... just because she lives in your body." Reddeeming all this from idle perversity are hints of a disillusioned romantic buried underneath.

Some familiar elements are missing from the stand-up scene. Despite a flurry of jabs at news events like the Iran-*contra* testimony, committed political satire is rare. So is X-rated material, with a few notable exceptions like screaming Sam Kinnison's. "The networks want comedians to work clean," says Richard Fields, owner of Catch a Rising Star, a Manhattan comedy club. Indeed, many young comics regard stand-up comedy less as a goal than as a stepping stone. "People today are not just shooting to be headliners," says Dennis Perrin, a New York-based comic and writer. "They want the big payoff—a movie or TV series."

A more immediate problem is oversaturation of the market. Like baseball expansion, the proliferation of comics has led to a diffusion of talent. "The quality is getting thinner," admits Silver Friedman, co-founder (with her ex-husband Budd) of the Improvisation club in New York. So far, however, the ranks are not dwindling. "The competition is unbelievable," says Comic Wright. "Every year I think it will level off, but it doesn't." Meantime, happy audiences seem willing to endure wisecracking dwarfs and Indian mystics in hopes that another Wright or Leno will be just beyond the next punch line.

—By Richard Zoglin

Reported by Kathleen Brady/New York and Elaine Dutka/Los Angeles



Wright: "The competition is unbelievable"

Ethics

Battling over Birth Policy

Is it racist to urge the West to have more babies?

It is an ancient scold, with a new Jeremiah sounding the doom cry. Ben J. Wattenberg, a demographic analyst at the conservative American Enterprise Institute in Washington, warns that the U.S. and other Western nations are not producing babies fast enough. Since 1957, writes Wattenberg in his new book *The Birth Dearth* (Pharos Books; \$16.95), the average American woman's fertility rate has dropped from 3.77 children to 1.8—below the 2.1 size needed to maintain the present population level. Meanwhile, he argues, Communist-bloc nations are producing at a rate of 2.3 children per mother, while the Third World rate is rising so fast that within 50 years its population may be at least ten times that of the West.

The result, predicts Wattenberg, may be a massive shift in world military, economic and ideological power. The West may find it "difficult to promote and defend liberty... Western nations [could] no longer shape either the political agenda, the culture or the direction of the global community." Moreover, Wattenberg writes, the tide of Third World immigrants to the U.S., combined with the lower ratio of white births to domestic black and Hispanic births, may reduce the proportion of European-descended stock in this country from the present 80% to 60% by 2080. The upshot could be social "diversity and turmoil." All of which, he believes, raises the key question: "Over time, will Western values prevail?"

Wattenberg's book has stirred a storm among politicians, academics and other public policy mavens. Critics charge that he provides a rationale for Big Brotherish intrusion into the intensely personal realm of childbearing. Indeed, Wattenberg believes the Government should encourage births with cash bonuses of up to \$2,000 annually for each child 16 and under, tax deductions for day-care costs and forgiveness of educational loans in the case of graduates with babies. Other analysts are concerned that Wattenberg's data could be used to justify a rollback of proabortion laws, a reduction in sex education programs and perhaps a tightening of immigration laws against non-Westerners. Finally, there is some feeling that the book carries overtones of racism.

Conservative politicians and ideologues are supporting Wattenberg's ideas. TV Evangelist Pat Robertson, a Republican presidential hopeful, argues that the U.S. could be "committing genetic suicide." He preaches that "depopulation of the West threatens the power of Western industrialized democracies." Republican Congressman Jack Kemp of New York, also a presidential contender, seconds

Wattenberg's call for birth incentives, saying "People are not a drain on our resources; they are our greatest resource."

But specific challenges to Wattenberg's data have been raised. Some demographers question his projections, since he extrapolates from population trends with little apparent regard for



such unpredictable factors as wars, epidemics, famines and baby booms. Many scholars point out that a nation's population size does not necessarily determine its military or economic power, as the histories of Britain and ancient Athens attest. As for ideological influence, theologians note that the West's predominant religion began with just 13 impoverished people.

More immediate, some scholars feel the presentation of data and the underlying philosophy are, in fact, racist. Michael

Teitelbaum, who has taught demography at Princeton and Oxford, points out that "since the onset of mortality declines two centuries ago, there have been no shortages of humans, only perceived shortages of particular kinds of humans." And Peter Morrison, population research director for the Rand Corp., asserts that probirth programs for the largely white Western middle class "label a group as being inferior or superior. It's what prejudice is all about."

Wattenberg, 53, the father of four children, denies any racism or cultural bias. "I'm defending Western culture, not white culture," he claims. "I'm not anti-anything. What I am pushing is a value system that develops economic prosperity and political freedom." A former speechwriter for Lyndon Johnson and campaign adviser to Hubert Humphrey, Wattenberg describes himself as a centrist Democrat who supports liberal immigration policies. Nevertheless, his maverick views have won him a reputation as the conservatives' favorite liberal.

Wattenberg's thesis carries strong historical echoes. In the first decade of the century, when the nation was being flooded with European immigrants, President Theodore Roosevelt advocated a federal family policy. He declared that the one-child family "spells death, the end of all hope," and in his 1906 State of the Union report he advocated that taxes "be immensely heavier on the childless." Yet the nation not only absorbed the influx of immigrants, it thrived on their dynamism. And many present-day critics have little patience with born-again nativism. "The trouble with Wattenberg's argument," says Bruce Schearer, president of the Population Resource Center, "is that it is exclusionary rather than inclusionary" and thus inappropriate to America's pluralism. Equally inappropriate, says Faye Wattleton, president of Planned Parenthood, are the "shades of a superculture idea." She asks, "Why does Mr. Wattenberg believe that it is only the mouths of the upper class and presumably white upper class that can preach the gospel of democracy?"

Wattleton, along with syndicated Columnist Ellen Goodman and legions of other modern women, also objects to Wattenberg's tendency, as Goodman puts it, "to slip easily back into a traditional vernacular—woman as exclusive child raiser." Schearer links this objection to the fundamental criticism of Wattenberg's espousal of Government birth incentives for the sake of international dominance. "There is something distasteful," he says, "about the concept that we should subvert personal aspirations in the democracy of America to the cause of maintaining our world-power status in the 21st century."

—By Ezra Bowen.
Reported by Jerome Cramer/Washington, with other bureaus

Books

The Man Who Writes with His Feet

THE SONGLINES by Bruce Chatwin; Viking; 293 pages; \$18.95

The word travel, Bruce Chatwin reminded an interviewer in a recent issue of the British literary journal *Granta*, is related to the French *travail*. "It means hard work, penance and finally a journey," he explained, noting, "There was an idea, particularly in the Middle Ages, that by going on pilgrimage, as Muslim pilgrims do, you were reinstating the original condition of man. The act of walking through a wilderness was thought to bring you back to God."

Chatwin, 47, does not claim to be devout, although he appears, as was said of James Joyce, to have rejected religion while preserving its forms. He even seems to have had an anti-revelation in which scales did not fall from his eyes but covered them. Twenty years ago, Chatwin, then an art expert with Sotheby's in London, woke one morning and could not see. His sight returned later that day. No organic cause for this temporary blindness could be found. An examining physician concluded that the young connoisseur had been looking too closely at pictures and prescribed distant horizons.

Chatwin took the advice and hit the road. He traveled to Asia, the Soviet Union, Africa, South America and the U.S. The results were *In Patagonia* (1977) and *The Viceroy of Ouidah* (1980), two remarkable books that demonstrated enviable gifts for observation, description and narrative invention. *The Songlines* brings these qualities to high relief, combining the conventions of travel writing, the patterns of the philosophical essay and the strategies of fiction. The work is obviously based on fact and personal experience, although Chatwin declares that much of it is literary concoction. In short, *The Songlines* is a book whose resistance to definition places it, by default, into the increasingly liberal category of the novel.

Its narrator is a tall, thin ascetic named Bruce Chatwin, a migratory writer fascinated by nomadic peoples and the origins of human nature. His curiosity takes him to Australia, where he has heard that the continent is entwined by songlines, invisible paths that the aborigines can read like sheet music. According to their creation myths, Australia was literally sung into existence by ancestral creatures. They wandered over the vast land mass during the dreamtime, giving names to animals, plants, hills and depressions.

Re-enactments of these legends are the walkabouts, aboriginal cross-country amblings that not only strengthen ties to the old ways but mark territories. As long as the walker sticks to his own songlines, he can have friends in far-flung places. Nearly every geological feature represents a sacred and evolved musical narrative. "A spaghetti of Iliads and Odysseys" is the way this captivating phenomenon is described to Chatwin.

Indeed, much of what the author finds in Central Australia is Greek to him. De-

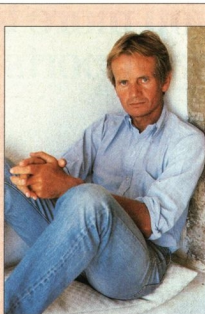
scendants of the Lizard Man, the Bandicoot Man and the Perenty Man relinquish their secrets grudgingly. Strangers are usually given incomplete or false "dreamings." To sort them out, Chatwin attaches himself to an Australian-born son of Soviet immigrants who maps songlines in an attempt to preserve them from obliteration by mining companies and railroads. Arkady Volchok earned honors in history and philosophy from Adelaide University. He plays Bach on the harpsichord, speaks several aboriginal languages and holds the provocative opinion that his Slavic forebears make better Australians because they, unlike the original Anglo-Saxon colonizers, have little fear of wide-open spaces.

Chatwin contributes his own controversial assessments. The network of harmonious songlines convinces him that *Homo sapiens* is not hopelessly belligerent. He reconstructs a conversation he had with Konrad Lorenz, ethnologist and author of the influential *On Aggression*; he ransacks his notebooks and ponders anthropological and philosophical teachings. His hesitant conclusion is that humans are fundamentally restless and, like the aboriginal, the species needs to wander.

Could all this be simply a projection of Chatwin's own footloose urgings, a legacy from generations of talented Englishmen who sought regular escape from their restrictive little island? From Cain and Abel to Freud's *Civilization and Its Discontents*, there is ample sign of conflict between homing and nomadic instincts. Chatwin is not unmindful of the persistent ambivalence. He quotes Pascal's morosely amusing thought that all human misery is the result of our inability to remain quietly in a room.

In the Outback, which is currently In, Chatwin finds that rooms are few and far between. Lonesomeness and cultural dislocation are the norm, and traditional songlines are sometimes surprisingly upbeat. What would the ancestors think of the aboriginal rock band whose record *Grandfather's Country* reached No. 3 on the antipodean charts? Or of the highly educated tribal leader who twice a year set aside his hunting spear, put on a double-breasted suit and boarded a train for Adelaide, where he read back issues of *Scientific American*?

The riches of *The Songlines* are varied and artfully stashed. Chatwin's physical journey over Australia's parched hide corresponds to his intellectual excursions, which are full of surprising turns. He travels light, living off his readings, his impressions and quotations from such



Excerpt

“Grandfather’s Country became the song of the Out-Station Movement. Its theme was eternal, ‘Go west, young man! Go west!’ Away from cities and government camps. Away from drink, glue, hash, smack, gaol. Out! Back to the desert from which grandfather was hounded. The refrain ‘Mobs of people . . . Mobs of people . . .’ had a slightly liturgical tone, like ‘Bread of Heaven . . . Bread of Heaven . . .’—and drove the audiences wild. At the Alice Rock Festival . . . ancient aboriginal greybeards were seen skittering and bopping with the kids.”

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- Tinted Glass
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diverse sources as Herodotus, Buddha, Heidegger and a Caribou Eskimo who said, "Life is one long journey on which only the unfit are left behind." What this furry philosopher ignored was that the unfit are frequently poets, abandoned to new perceptions. Like turning Australia into a metaphor for mind, thinly cultivated at the edges and wildly alive at the interior.

—By R.Z. Sheppard

Sitting Duck

PATRIOT GAMES

by Tom Clancy

Putnam; 540 pages; \$19.95

Out strolling during his London vacation, an ex-Marine named Jack Ryan hears an explosion and sees a Rolls-Royce disabled by the blast. Armed men approach the car, clearly intending harm to its passengers. Ryan singlehandedly puts a stop to this nefariousness, suffering a shoulder wound in the process. Next morning in the hospital, he learns that he has rescued the Prince and Princess of Wales from a terrorist attack by the U.L.A., a Maist offshoot of the Irish Republican Army.

Pretty soon the Queen and the Duke of Edinburgh arrive to pay their respects, telling Ryan that his wife and young daughter are safely ensconced in Buckingham Palace and that he is now Sir John, a Knight Commander of the Victorian Order. Then the Prince drops by, a little dejected at having been exposed to the world as a helpless victim. "Sit down, goddammit!" Ryan commands and proceeds to put some starch in the heir apparent's spine. Once the American hero recovers, he joins his family at the palace, where a lovely time is had by all.

Unfortunately, this tourist-brochure fantasy is only the beginning of *Patriot Games*, a novel that performs the odd trick of growing exponentially less interesting with the turning of each page. Ryan returns to the U.S. and resumes his old humdrum life, teaching history at the Naval Academy, with the added burden of playing a sitting duck. For it is only a matter of time—oodles of time—until the U.L.A. "bad guys" attempt to punish Ryan for thwarting their plans in London.

The big mystery here is why Author Tom Clancy abandoned the *Popular Mechanics* formula that served him so well in *The Hunt for Red October* (1984) and *Red Storm Rising* (1986): describe enough hardware and any plot can seem plausible. Clancy occasionally hits his old stride ("Pellets fired from a shotgun disperse radially at a rate of one inch per yard of linear travel"), but this time out he concentrates on his human characters, a subject apparently beyond the range of his research. *Patriot Games* is a minefield of unintended comedy. When, for instance, the Princess announces that she is two months pregnant, Ryan knows just what the etiquette of the situation demands. He turns to the Prince and says, "Way to go, sir."

—By Paul Gray

Bookends

POSTCARDS FROM THE EDGE

by Carrie Fisher

Simon & Schuster; 221 pages; \$15.95



"It struck me today that the people that have had an impact on me are the people who didn't make it. Marilyn Monroe, Judy Garland, Montgomery Clift, Lenny Bruce, Janis Joplin, John Belushi... In our culture these people are heroes... It's the one thing I cling to in here: Wow, I'm hip now, like the dead people." So writes Actress Suzanne Vale, 29, whose diary of her 30 days in a Los Angeles drug rehabilitation clinic forms the strongest part of this feisty, refreshing first novel. Suzanne's journal is counterpoint to the strident monologue of a fellow patient, Alex Daniels, also 29, who bottomed out at a Ramada Inn on a half-ounce of cocaine, six Long Island iced teas, two Smirnoffs, a hamburger, French fries and cake.

Author Carrie Fisher, the actress daughter of Eddie Fisher and Debbie Reynolds, has been through drug problems of her own and gives her protagonist the kind of humor born from pain, anger and a strong will to live. The narrative voice is a little like Holden Caulfield playing the Borscht Belt: "I'm a flash and the world is my pan." And: "I guess that's how guys are thoughtful in the '80s—they accompany girls to their abortions." *Postcards*, which is really five connected vignettes, loses its bite when it strays from its emotional base in the clinic. But not before Fisher, who once expected to be remembered only as *Star Wars*' Princess Leia, proves that the pen is mightier than the light-saber.

STORMING THE MAGIC KINGDOM

by John Taylor

Knopf; 261 pages; \$18.95



Think of it as an animated cartoon. Imagine the corporation as a sheepfold, its shepherds stupefied by years of prosperity and innocence of the ways of wickedness in far-off Wall Street. Now imagine a pack of wolves peering over the fence and judging that the assets gambling behind it are tantalizingly undervalued by the marketplace.

John Taylor recounts the 1984 assaults on Walt Disney Productions by corporate raiders in a manner the founder would have approved: brisk narrative colored in primary emotional tones. The takeover artists are sometimes attractively shrewd but heedlessly greedy—for action as much as for power and money. The company's executives, ponderously led by President Ron Miller, are brave but inept in their resistance. Meanwhile, Walt's nephew Roy and the other heirs

squabble among themselves. In the end, all concerned muddle their way to a bright new management team—imported from Paramount and Warner Bros.—that will restore the company's fortunes. But this seems more than foresight. Reality omits two things that old Walt would never have left out of a cartoon: an unambiguous hero and a clear-cut moral.

BRANDO: THE UNAUTHORIZED

BIOGRAPHY

by Charles Higham

New American Library

330 pages; \$18.95



A few years ago, Biographer Charles Higham made a sensation with his assertions that Errol Flynn was a bisexual Nazi spy. So one comes to this book with high expectations of the lowest sort. It was Marlon Brando, after all, whose predatory sexuality, postartistic pathos and screw-the-system belligerence helped define modern acting. He has also starred in tabloid headlines and the show-biz gossip mill for the 40 years since *A Streetcar Named Desire* opened on Broadway. Could Higham not shed a little light on Brando's bulky genius while dishing some dirt about his rambunctious private life? No. The familiar facts are here, but few new ones, and little of the actor's threatening charm. And because Higham writes with neither zest nor malice, *Brando* lacks the sine qua non for a bio worth taking to the beach: redeeming prurient interest.

FAST FORWARD

by James Lardner

Norton; 344 pages; \$18.95



In 1976 Sidney Sheinberg, president of Universal Pictures, was introduced to a newfangled machine called the Betamax. He saw the device as a serious threat to his business and set in motion a furious legal, political and public relations battle against the new technology, a fight that went all the way to the Supreme Court. (Private taping, the court concluded, did not violate copyright laws.) James Lardner gives a lucid, well-researched account of that battle, with helpful detours into such related matters as the history of VCR technology and the ins and outs of Washington lobbying. At times his dogged accretion of detail can drift into monotony: on the eve of a key Supreme Court hearing, we learn, Sony's chief attorney ate a dinner of steak, orange juice and ice cream. The reader can fast-forward through passages like these; Lardner could have helped more by hitting the pause button occasionally for some rumination on the big picture. ■

Living



Nice work if you can get it: by the backyard pool in Chapala

Paradise, Down Mexico Way

Americans who settle near Lake Chapala find the sweet life

Louis Wertheimer remembers the question that flashed through his mind when he first saw the sparkling waters of Lake Chapala and realized how cheaply he could live there. "I asked myself, Why isn't everyone here?" he recalls. Twenty-seven years later the former Buffalo businessman has coped with most of the problems—slow repairs, distant doctors—that can confront a foreigner living in Mexico. Still, he wonders why the torpid town of Ajijic that he calls home is not overrun with gringos looking for the good life.

Wertheimer, 75, is one of an estimated 50,000 Americans who live permanently south of the Rio Grande. Aside from businessmen and diplomats posted in Mexico City, there are growing enclaves of foreigners who live in small Mexican towns. For instance, about 12,000 Americans, many of them retired, bask in the gentle refinement of Cuernavaca, some 50 miles south of the capital.

The area around Lake Chapala, in the central state of Jalisco, has been attracting U.S. and Canadian citizens since the end of World War II, many recently discharged veterans. The phenomenon also began attracting retirees. About 5,000 foreigners reside in such towns as Chapala, Ajijic and Chula Vista. The main attraction in all three communities is the climate: daytime temperatures hover in the 70s and 80s. In addition, Chapala offers tree-lined streets and a backdrop of

mountains. In Chula Vista the rambling houses and ample yards might be mistaken for a California suburb. High-walled haciendas and the sight of burros ambling down cobblestone streets endow Ajijic with postcard charm.

But residents must overlook some imperfections, like the occasional carcass of a horse or a dog on the 30-mile highway to Guadalajara, the nearest city. They must avoid impure drinking water and ignore iffy electricity and open sewers on the streets where they live. Finding an English-speaking doctor can be difficult, and Medicare does not cover the fees.

Satisfied settlers accentuate the positive. The lakeside towns report almost no violent crime involving foreigners, so elderly couples can take evening saunters

without fear. Household help can be hired for about \$50 an hour. Electricity and water bills amount to a few dollars a month. Local restaurants are a bargain. The La Viuda café in Chapala, for example, charges \$2 for half a broiled chicken with all the trimmings. Even U.S. television is available for those who invest about \$5,000 in a parabolic-dish antenna. Richard Tingen, a Chapala real estate agent, has a hard time convincing potential residents how far their dollars will go. Says he: "I explain to people that their house has rooms for the maid and the gardener, and they just look at me. Hell, some of them used to be maids and gardeners."

The homes offered by Tingen and his competitors range from a "basic Mexican two-bedroom house" that recently fetched \$13,000 to a \$275,000 villa complete with Jacuzzi and putting green. But most customers are retired middle-class couples who have sold their homes in the U.S. and have \$60,000 to \$80,000 to invest.

Transplanted Americans can be unwitting victims of the roller-coaster Mexican economy. Velma Dempsey, who has lived in Chapala for 17 years, recalls visiting a bank in 1982 to transfer her life savings from the U.S. Perturbed by the slow-moving line, she went home, planning to return the next day. Overnight, the government expropriated all dollar savings, compensating depositors with pesos. Sighs Dempsey: "I was never so grateful for inefficiency."

Since few Americans bother to learn more than rudimentary Spanish, town life is largely divided between "them and us." An English-language theater group performs regularly, and a country club, an American Legion post and numerous garden and bridge organizations serve as gathering spots. To keep occupied, many turn to charity work. American residents fund an orphanage and a home for indigent Mexicans. They arrange visits by American medical specialists to treat Mexicans.

Last June Obregon Street in Ajijic was resurfaced, courtesy of the foreign community. Says Kay Pike, a retired actress who moved to Chapala four years ago: "Do-gooding is an attraction for those of us who think of Mexico as our adopted country."

Along about sundown, the cocktail shakers begin their rumba-like rhythm. Knots of friends and neighbors, English speakers all, gather to gossip or reminisce. Then someone will raise a glass to their common good fortune. After all, not everyone can live in paradise, and not everyone wants to. —By John Moody/Ajijic

A Peach Of a Drink

Ernest Hemingway ordered doubles at Harry's Bar on hot Venetian mornings. Noël Coward savored them too. The Bellini, for 40 years a Harry's signature, is a romantic sort of drink—fizzy on the tongue, dizzy on the mind and wonderfully pretty in pink. Now it has crossed the Atlantic triumphantly, as Cipriani has opened two dolce vita

restaurants in New York.

"It's the perfect summer drink," says a Manhattan convert. The concoction—one part fresh peach juice, two parts champagne—is Cipriani pride: Giuseppe, Harry's father and founder of the Venetian bar, invented it. But now it is putting down U.S. roots. BELLINI AND BRUNCH signs sprout each weekend at see-and-be-seen spots around the land. And a home mix, stirred up by Champagne Editions, is on the market nationwide. Peachy!



Ciao, bella!

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TRACER
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\$400 CASH BACK.

MERCURY
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SAVINGS**

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Sport with Preferred
Equipment Package 337C**
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\$400 CASH BACK.

MERCURY
LYNX GS
**\$1289
SAVINGS**

Total savings based on 1.9
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SAVINGS*** when you buy
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Package 435B. Customer
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**Based on the sticker price of package compared with options purchased separately.

***Finance savings based on sticker price (including destination charges and excluding taxes, title and license fee) for the vehicle and loan terms: 24 months, 10% down, 11.5 A.P.R. (average on non-A.P.R. program contracts purchased by Ford Credit on Aug. 6, 1987) vs. 1.9 A.P.R. financing. Comparable monthly payments at the aforementioned loan terms would be \$685.83 at 11.5 A.P.R. vs. \$622.23 at 1.9 A.P.R.

for Sable LS sticker price \$16,269. And \$643.11 at 11.5 A.P.R. vs. \$583.47 for Cougar LS sticker price \$15,256. And \$426.34 at 11.5 A.P.R. vs. \$385.80 at 1.9 A.P.R. for Topaz GS Sport 2-door at sticker price \$10,113. And \$330.31 at 11.5 A.P.R. vs. \$299.68 at 1.9 A.P.R. for Lynx GS 2-door sticker price \$7,835. And \$406.90 at 11.5 A.P.R. vs. \$369.16 at 1.9 A.P.R. for Tracer 2-door sticker price \$9,653. Actual savings will vary according to amount financed, length of term and prevailing A.P.R. in your area. Sticker price higher in New York. See your dealer for complete details.

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Dance

In Praise of the Goddess Pele

Hula flourishes in a Hawaiian cultural revival

An old woman wearing a crown of green mountain ferns and drapery that looks vaguely Grecian stands alone, arms upraised, and chants in a strong voice to ancient gods. This is polite and also prudent. Kau'i Zuttermeister, 78, is a hula dancer, and she accepts mainland Christianity, first brought to the Hawaiian Islands in 1820 by missionaries. But her uncle Sam Pua Haahoe, an elderly kahuna, or expert practitioner, who taught her the chants, dances and drumming patterns of traditional hula 60 years ago, told her to "pray first to the gods of your forefathers. They were here first."

Some still endure. Most of the ancestor gods are gone now, but on the Big Island, the fire and volcano goddess Pele still lives. She is not worshiped, say modern-day Hawaiians, but she is acknowledged, and in the fiery and overflowing caldera of Kilauea she rules. The first hula, it is said, was chanted and danced in Pele's praise by her younger sister Hi'iaka. Recently Zuttermeister and some 25 other splendid hula performers, the spiritual descendants of Hi'iaka, brought their art to the American Dance Festival in Durham, N.C. It was not modern dance, which is what the festival customarily explores and celebrates. But there were some similarities; the hula is earth seeking, like most of modern dance, not aerial, like classical ballet. It is done with the knees flexed, and, of course, in bare feet. So, often, is modern dance.

When Zuttermeister was young, the ancient, traditional hula—*hula kahiko*—had nearly died out. Islanders with Hawaiian blood took little pride in their ancestry, and cellophane-skirt-and-ukulele imitation hulas were staged mostly for tourists. But her husband Carl, a German immigrant, was proud of Kau'i's Hawaiian blood and convinced her to learn what her uncle had to teach.

A few others of that generation also learned from their elders, and by the early 1970s mainland ethnic-pride movements had strong echoes in the islands. Now there is little danger that the old hula forms will die. Zuttermeister has passed on the chants and dance movements, exactly as she learned them, to her daughter Noe'oe'elani Zuttermeister Lewis, 43, and her granddaughter Hau'olionalani Lewis, 20. Pub-



The Ka Pa Hula Hawai'i troupe at the American Dance Festival in Durham, N.C.

lic schools today teach hula as part of the cultural history of the islands. Teams taught by hula masters compete in hula dance-offs that are approximately as well attended as high school basketball tournaments in Indiana. Such top-ranked groups as the four who traveled to Durham have little chance to grow rusty. This week on the Big Island, for example, the Kanaka'ole sisters will invoke the gods for a space conference and take part in the Kilauea Dance Exhibition.

Noe'oe'elani, kneeling, chants and finger taps the *puniu*, a small coconut-shell drum lashed to the thigh, and thumps the *pahu hula*, a larger sharkskin-covered drum. Hau'olionalani, leis at wrists and ankles, head erect, chants a formal request—"Let me in, I'm cold"—to be admitted to the *halau*, or dance school. Noe'oe'elani replies as the teacher, "Come in, all I have to offer is my voice..." Her daughter begins the rhythmic, liquid swaying of the hula.

It is not hard to see why missionaries in the early 19th century were horrified by the hula. Not only did the dances glorify false gods, but many of them were expli-

citly and joyously sexual. There were niceties; it is considered vulgar, for instance, to thrust your *opu*, or lower abdomen, forward when you are performing the *ami*, the characteristic revolving hip motion of hula. But even done with good taste, traditional dances celebrating the genital endowment of kings or queens—*Your Oversized Ma'i* is the name of one that compares the *ma'i* of King David Kalakaua with an eel—were too much for the stern mainland men of God.

The preachers succeeded in having the hula banned, and the dances stayed underground until Kalakaua's coronation in 1883. He brought about a public revival, with one concession to puritan sensibilities: male dancers could wear their traditional elaborate loincloths, but women, who had worn skirts of tapa (beaten bark) and no tops, could perform only when covered from neck to knee.

This compromise hardened into tradition. Women are heavily swathed, wearing voluminous outfits or skirts traditionally made of ti plant leaves, sanctified by precautionary over-the-knee bloomers. The result is that male energy and loincloth-flipping impudence are expressed powerfully and directly, while the grace and erotic force of the women are somewhat muffled.

Thus it seems that the missionaries' kapu (prohibition) has won. Or has it? The most vivid images a beguiled mainland takes away from the hula are of Kau'i Zuttermeister, arms raised to the old gods, and the rumbling power of two sisters, Pualani Kanaka'ole Kanahele and Nalani Kanaka'ole, big mountain-shaped women, sitting splaylegged and barefoot on the stage, each beating ancient rhythms on an *ipu* (gourd drum) held between her thighs. A two-volcano percussion section, these Kanaka'oles, and, yes, Pele lives! —By John Skow



Two of the Halau Hula O Hoakalei dancers at Durham

"Pray first to the gods of your forefathers."

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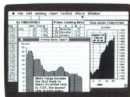
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Tuesday, December 10, 1980

BUSINESS

THE DENVER POST

- 3, H-P SHARES PROFITS
- 5, HIGH PLAINS OIL TARGETED
- 6, FARM BILL WEIGHED

BRIEFING

Currencies

Dollar edging up

Expectations of lower oil prices and low inflation sent the dollar higher Monday. Late exchange rates in New York, compared with Friday, in dollar equivalents, included:

British pound, \$1.406, was \$1.402.

Swiss franc, \$1.481, was \$1.478.

West German mark, \$1.361, was \$1.358.

Japanese yen, \$0.00736, was \$0.00735.

French franc, \$0.0636, was \$0.0635.

Italian lira, \$0.000336, was \$0.000335.

Spanish peseta, \$0.0166, was \$0.0165.

Dutch guilder, \$0.376, was \$0.375.

Belgian franc, \$0.0336, was \$0.0335.

Austrian schilling, \$0.0035, was \$0.0034.

Portuguese escudo, \$0.000204, was \$0.000203.

Irish pound, \$0.787, was \$0.786.

Swedish krona, \$0.136, was \$0.135.

Norwegian krone, \$0.136, was \$0.135.

Denmark krone, \$0.136, was \$0.135.

Finland markka, \$0.00034, was \$0.00033.

Euro, \$1.00, was \$0.99.

Yugoslav dinar, \$0.00064, was \$0.00063.

Czechoslovak koruna, \$0.002, was \$0.0019.

Soviet ruble, \$0.007, was \$0.0069.

Russian ruble, \$0.007, was \$0.0069.

Polish zloty, \$0.0006, was \$0.00059.

Hungarian forint, \$0.0002, was \$0.00019.

Romanian leu, \$0.0001, was \$0.00009.

Bulgarian lev, \$0.0001, was \$0.00009.

Serbian dinar, \$0.00064, was \$0.00063.

Croatian kuna, \$0.00064, was \$0.00063.

Slovenian tolar, \$0.00064, was \$0.00063.

Czech koruna, \$0.002, was \$0.0019.

Slovak koruna, \$0.002, was \$0.0019.

Slovene tolar, \$0.00064, was \$0.00063.

Maltese lira, \$0.000336, was \$0.000335.

Cypriot pound, \$0.787, was \$0.786.

Israeli sheqel, \$0.0336, was \$0.0335.

Lebanese pound, \$0.0336, was \$0.0335.

Syrian pound, \$0.0336, was \$0.0335.

Jordanian dinar, \$0.0336, was \$0.0335.

Yemeni rial, \$0.000336, was \$0.000335.

Omani rial, \$0.000336, was \$0.000335.

Qatari riyal, \$0.000336, was \$0.000335.

Bahraini dinar, \$0.000336, was \$0.000335.

Kuwaiti dinar, \$0.000336, was \$0.000335.

Saudi riyal, \$0.000336, was \$0.000335.

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Omani rial, \$0.000336, was \$0.000335.

DENVER-LONDON NON-STOP CHALLENGE

Will it take off?



People

VIA SATELLITE

USA TODAY

Money

FRIDAY, JANUARY 9, 1987

TIMELINE

A LOOK AT EVENTS SHAPING THE CENTURY'S STOCK MARKET

7 decades of the Dow: In good times and bad

Up and down in the Dow Jones industrial average reflect the life story of the USA itself. Here's a look at the Dow's winding path on the way to 2000:

Roaring '20s: A spectacular bull market pushed the Dow from 62.90 in August 1921 to close at exactly 300 on Dec. 29, 1929. The market kept rising in 1929, peaking at 381.17 on Sept. 3. Investors were far overextended. The bubble burst in October 1929. The Dow plunged 38.33 points to 12.89, —on Monday, Oct. 28. The next day, it fell 30.57 points, 11.76.

The Depression years: Most of the losses stock market investors suffered in the Great Depression came in the early 1930s — not in 1929. President Hoover tried in vain to restore confidence by pre-empting the "crisis." But on July 8, 1932, the Dow closed at its all-time low, 41.22, off 89.24, from the 1929 peak. Stocks made a recovery even as the Depression deepened. Plunging with the 200 barrier in early 1937, the Dow then plunged again as the Depression resurged. The Dow ended the 1930s stuck around 150.

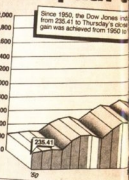
War-time recovery: Dec. 7, 1941, bombing of Pearl Harbor, the Dow closed down 4 points at 112.53 and kept sliding, not to hit bottom until April 28, 1942, at 82.82. That day, price controls were imposed as the USA stepped up war-time production.

TODAY'S TIP-OFF

Don't overlook auto expenses on IRS optional mileage.

This week's average yield of deposit, according to Bank of America, 6.11%; 21-year, 6.56%; 30-year, 6.81%.

The path to 2000



Source: USA TODAY research

Lofty Dow

By Jay McCormick
USA TODAY

How high is 2000? That's the question many investors are asking in the wake of Wall Street's historic event Thursday — the Dow Jones industrial average reached 2,000.

the financial page.

Section D

ESS

Post

ALLENGE:

Express Continental
Main 747 DC 10-30

STOCK QUOTATIONS, 6-10
FUNERAL NOTICES, OBITUARIES 11
CLASSIFIED ADS, 12

Manville will sell 3 operations

By Gail L. Pitts

Denver Post Business Writer

As part of a move to sell foreign interests, Manville Corp. said Monday that its Canadian subsidiary will sell three operations for about \$3.6 million.

Manville Canada Inc. has reached an agreement with Toronto-based Cannon Inc. for the sale of

ON'S NEWSPAPER

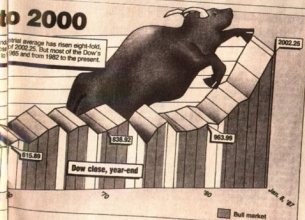
SECTION B

Work ... deductions for business
actual costs, taxpayers can use the
rates for 1986, say accountants
... deductions of 21 cents a mile up
... 11 cents a mile below that.

ields ... on bank certificates
the Monitor, six-month, 5.88%; 1-
year, 7.11% (Money rates, 38.)

to 2000

Central average has risen eight-fold
of 2002-26, but most of the Dow's
1955 and from 1982 to the present.



EXPERTS PEEK PAST MILESTONE

THEY SAID DOW WOULD
REACH 2000. IT DID. SO
WE ASKED WHAT'S
NEXT? PAGE 2B.

MONDAY

MONEY PLAN, COUPLE
SAYS INCOME IS RISING
SO FAST WE DON'T
KNOW WHAT TO DO.



MARTIN ZWIG: Bull market
may be over, he says
a correction before 2000

has down-to-earth roots

rove the Dow

has been fueled by falling interest rates and low inflation since
the time for rising earnings to power stocks, experts say.

er, the bulls say.
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